

TANZANIA COFFEE BOARD

THE 2ND CORPORATE STRATEGIC PLAN



2020/21 - 2024/25

Happy Coffee Farmer

Authorization

This is to certify that, this Corporate Strategic Plan for 2020/21-2024/25 was approved by the Board of Directors' during a meeting held on 18th June, 2020. It was resolved that the implementation of the strategic plan start effective on 01st July, 2020. The Corporate Strategic Plan is hereby signed by the Chairperson and Secretary of the Board.



Chairperson of the Board
Amir Hamza



Secretary of the Board
Prof. Jamal Adam

18th June 2020

List of Abbreviations and Acronyms

AIDS	Acquired Immunodeficiency Syndrome
APP	Annual Procurement Plan
ASDP	Agricultural Sector Development Programme
ATMIS	Agricultural Trade Management Information System
BoD	Board of Directors
BOT	Bank of Tanzania
CAG	Controller and Auditor General
CIA	Chief Internal Auditor
CIDS	Coffee Industry Development Strategy
CPA	Certified Public Accountant
CPU	Central Pulper Unit
CRU	Coffee Roasting Unit
CSR	Corporate Social Responsibility
DCDO	Directorate of Coffee Development and Operation
DCQP	Directorate of Coffee Quality and Promotion
DE	Direct Export
DFA	Directorate of Finance and Administration
DG	Director General
EAC	East African Community
FYDP	Five Year Development Plan
GAIN	Global Alliance for Improved Nutrition
GAP	Good Agricultural Practice
GDP	Gross Domestic Product
HIV	Human Immune deficiency Virus
HLU	Head of Legal Unit
HPMU	Head of Procurement Management Unit
HPU	Head of Planning Unit
HRM	Human Resources Manager
HTU	Head of Technical Unit
IACO	Inter-African Coffee Organization
ICO	International Coffee Organization
IIDS	Integrated Industrial Development Strategy

KPIs	Key Performance Indicators
LGAs	Local Government Authorities
M&E	Monitoring and Evaluation
MDAs	Ministry, Department and Agencies
MoA	Ministry of Agriculture
MoFP	Ministry of Finance and Planning
MP	Member of Parliament
MT	Metric Tons
MTEF	Medium Term Expenditure Framework
NACP	National Anti-Corruption Policy
NAP	National Agricultural Policy
NBS	National Bureau of Statistics
NCCDs	Non-Communicable Chronic Diseases
NGOs	Non- Governmental Organizations
OC	Other Charges
PE	Personal Emolument
PMS	Performance Management Systems
PPA	Public Procurement Authority
PPP	Public Private Partnership
PPRA	Public Procurement Regulatory Authority
QSM	Quality and Sales Manager
SDGs	Sustainable Development Goals
SoBs	Strategic Objectives
SWOT	Strengths, Weaknesses, Opportunities and Threats
TaCRI	Tanzania Coffee Research Institute
TCA	Tanzania Coffee Association
TCB	Tanzania Coffee Board
TCDC	Tanzania Cooperative Development Commission
TCGA	Tanganyika Coffee Growers Association
TZS	Tanzanian Shillings
USA	United States of America
USD	United States Dollar
WB	World Bank

List of Tables

Table 2.1: Twenty Coffee Producing Countries (000’ Tonnes)	14
Table 2.2: Tanzania Coffee Production from 2009/10 – 2018/19 (MT).....	16
Table 2.3: Average Share of Farm Gate vs. FoB price (Prices in TZS/Kgs).....	17
Table 2.4 Average Coffee Auction Prices vs. Terminal Coffee Prices Trends (\$/50Kgs).....	19
Table 2.5: Purchasing Share of Buyers in Coffee Auction (%)1.....	19
Table 2.6: Comparison between Auction and Direct Coffee Sales (Price in \$/50Kgs)1.....	20
Table 2.7 Average Coffee Quality (%)vs. Price (\$/kg) for 2018/19: 1.....	21
Table 2.8 Domestic Coffee Consumption in Africa (Tonnes).....	23
Table 2.9 Coffee Business Index Comparison in Exporting a Coffee Container:	23
Table 3: 1 Performance Assessment of 1st Corporate Strategic Plan	25
Table 4: 1 Revenue Statistics (Figures in Millions of TShs).....	30
Table 4: 2 Cash Crops Foreign Earnings (USD 000’000)	33
Table 4: 3 Stakeholders’ Analysis Matrix	36
Table 4: 4 SWOT Analysis Results	41
Table 5 1 Strategic Themes and Strategic Results.....	44
Table 5 .2 Perspectives and Strategic Objectives	45
Table 5 3 Strategic Initiatives	47
Table 6. 1 Risks and Mitigation	50
Table 6. 2 Planned Review Meetings.....	52
Table 6. 3 Internal Reporting Plan	53
Table 6. 4 External Reporting Plan.....	54
Table 7. 1 Financial Requirements for Each Strategic Objective	55

Statement of the Board Chairperson

On behalf of the Board of Directors, I am pleased to put a word to this important document for Tanzania Coffee Board (TCB) which provides strategic directions in the next five years.

This strategic plan is in line with the National political and socio-economic agenda outlined in the Vision 2025, Five Years Development Plan (FYDP), the ruling part manifesto, Integrated Industrial Development Strategy and Agricultural Policy. The FYDP categorically singles out coffee as a strategic agricultural commodity that supports farmers' livelihoods towards achieving the inclusive economic growth.

The strategic plan also takes into account the Government directives that require TCB to focus on; improving coffee quality, proper management of coffee processing industries, improving coffee business environment, improving marketing systems, increasing productivity and production. The stipulated areas are featured in the plan under the three strategic themes of Competitive Prices, Optimal Production and Enhanced Business Environment.

I appeal TCB Management team and the entire staff to exert themselves in order to ensure that TCB becomes *"an outstanding Coffee Regulatory Institution in Africa"*. The plan outlines several objectives and initiatives that will accelerate TCB in attaining its vision in aspects of improving financial mobilization and management, customer service delivery, human capacity and increase efficiency in internal processes.

I request all stakeholders in Tanzania and beyond to collaborate and feel proud to be part of the successful implementation of this plan.



Chairperson of the Board
July 2020.

Statement of the Director General

Getting to the destination you want to be within a given time and resources is not only a success but also a challenge. With this regard, it is a great honour to accomplish development of the second Tanzania Coffee Board Corporate Strategic Plan (CSP) to be implemented in the five years from 2020/21 - 2024/25.

As mandated by the law which established Tanzania Coffee Board (TCB), its functions are to regulate coffee industry and coordinate implementation of the shared functions for development of the sector. During implementation time the board will fulfil its mandated functions through realization of board's mission by creating an Enabling Business Environment that will build trust and attract investment. By capitalizing on the teamwork spirit, partnership and collaboration in the implementation of the strategic plan we are optimistic to achieve the intended results for a sustainable coffee industry. To achieve this, the plan has been drawn up to focus on eleven strategic objectives and number of initiatives that will bring about realization of the TCB mission.

For effective implementation of the plan, TCB recognizes a need for mobilization and efficient allocation of the available resources. The plan outlines several approaches that will be used to increase revenue such as strengthening, expanding and developing new sources of funds as well as putting in place effective financial management system.

I wish to express my appreciation to all members of the strategic plan development team, management, workers council and every member of staff who have played a major role in the development of this document. I am also grateful for the input and guidance of the Board of Directors emanating from their in depth deliberation and finally approving this Corporate Strategic Plan. The contributions of our stakeholders are highly acknowledged and appreciated.

I am therefore pleased to forward this Strategic Plan to all my fellow TCB staff with the hope that together we will implement and create a bright future for a sustainable coffee industry. We must remember that "We are answerable for our actions and indebted for great outcomes".



Director General
July 2020

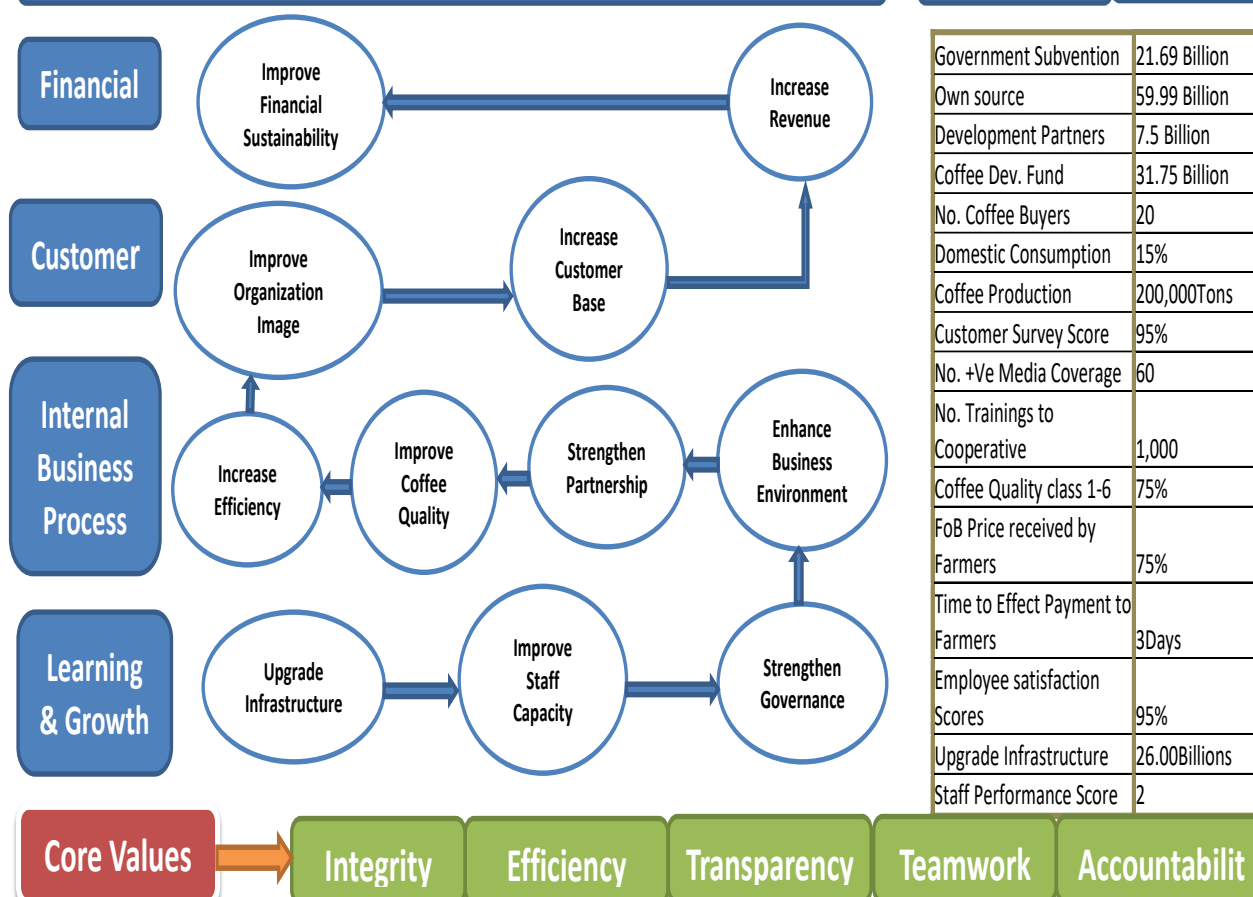
Strategic Map

Vision	"To be an outstanding Coffee Regulatory Institution in Africa"		
Mission	"To Create an Enabling Business Environment for a Sustainable Coffee Industry in Tanzania"		
Strategic Themes	Competitive Price	Optimal Production	Enabling Business Environment
Strategic Results	Realization of fair price through increased coffee quality, certification, value addition, domestic consumption, number of buyers and by establishing price stabilization mechanisms.	Coffee production is increased by partnering with key stakeholders to raise productivity through rehabilitation of unproductive farms, provision of extension services, adoption of improved technologies, ensure availability and use of inputs as well as promoting contract farming, multiplication and distribution of coffee seedlings.	To create conducive business environment through predictable policies, stakeholders' engagement, provision of incentives, reasonable transaction costs, credit facilitation and updated regulations.

Strategic Objectives and Strategic Map

Measures

Targets 2025



CONTENTS

Authorization	1
List of Abbreviations and Acronyms	3
List of Tables	5
Statement of the Board Chairperson	6
Statement of the Director General	7
Strategic Map	8
1 CHAPTER ONE: INTRODUCTION	11
1.1 Mandate and Historical Background	11
1.2 TCB Functions and Powers	12
1.3 Strategic Planning Approach	13
2 CHAPTER TWO: COFFEE INDUSTRY OVERVIEW	14
2.1 Global Coffee Production	14
2.2 Coffee Production in Tanzania	15
2.3 Coffee Sales	17
2.3.1 Farm Gate Sale	17
2.3.2 Auction Sale	18
2.3.3 Direct Export Sales	20
2.4 Coffee Quality	20
2.5 Domestic Coffee Consumption	22
2.6 Business Environment	23
3 CHAPTER THREE: PERFORMANCE EVALUATION	25
3.1 TCB 1 st Corporate Strategic Plan	25
3.2 Assessment of 1 st Corporate Strategic Plan	25
3.3 Critical Issues for Consideration in New Strategic Plan	27
4 CHAPTER FOUR: ENVIRONMENTAL SCANNING AND SITUATION ANALYSIS	28
4.1 Internal Environmental Scan	28
4.1.1 Legal and Policy Framework	Error! Bookmark not defined.
4.1.2 The external Environment scan	32
4.2 TCB Stakeholders Analysis	35
4.3 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis	40
4.5 Critical Issues from SWOT Analysis	41
5 CHAPTER FIVE: THE PLAN	43
5.1 Vision	43
5.2 Mission	43

5.3	Core Values	43
5.4	TCB Motto	Error! Bookmark not defined.
5.5	Strategic Themes	44
5.6	Strategic Objectives	45
5.7	Performance Measures and Targets	47
5.8	Strategic Initiatives	47
6	CHAPTER SIX: MONITORING AND EVALUATION	50
6.1	Purpose	50
6.2	Assumptions, Risks and Mitigation	50
6.2.1	Assumptions	50
6.2.2	Risks and Mitigation	50
6.3	Monitoring and Evaluation Plans	52
6.3.1	Monitoring Plan	52
6.3.2	Review Meetings	52
6.3.3	Evaluation Plan	53
6.4	Reporting Plan	53
6.4.1	Internal Reporting Plan	53
6.4.2	External Reporting Plan	54
6.5	Financial Implication	54
		55
	APPENDIXES 1: TCB ORGANISATION STRUCTURE	56
	APPENDIX 2: STRATEGIC PERFORMANCE MEASURES	57
	APPENDIXES 3: FINANCIAL REQUIREMENTS PER STRATEGIC INITIATIVES	62

1 CHAPTER ONE: INTRODUCTION

This Corporate Strategic Plan (CSP) covers a five-year span, from July 2020/21 to June 2024/25. It is the second (2nd) Tanzania Coffee Board (TCB) Corporate Strategic Plan since its establishment in 2001. The purpose of this Plan is to provide a strategic direction for the Board in the implementation of its mandated functions in accordance with the Coffee Industry Act and its Regulations. The plan focuses on achieving the TCB vision and mission by ensuring competitive prices, achieving optimal production and creating an enabling business environment to contribute viably to the National Development Vision 2025.

1.1 Mandate and Historical Background

TCB is a government body established by Section 3 of the Coffee Industry Act No 23 of 2001. Its main functions as per Section 5 of the Coffee Industry Act 2001 No. 23 of 2001 as amended by the Crop Board Miscellaneous Act No. 20 of 2009 is to undertake regulatory functions and advise the Government on all matters related to the development of the coffee sub-sector. As a regulator, TCB's main role is to ensure that the Coffee Industry operates in compliance with the Coffee Industry Act and its Regulations and in line with other relevant National and International regulatory policies and standards.

TCB went through three (3) major reforms from 1976 when it was first established as the Coffee Authority of Tanzania (CAT). CAT was tasked with training, supervising extension services, provision of coffee inputs, and expansion of acreage for coffee production. CAT successfully executed its functions under main two projects, the Coffee Improvement Programme (CIP) and the Coffee Development Programme (CDP), which were funded by the European Economic Community (EEC).

The Second reform occurred in 1984 when CAT was transformed into the Tanzania Coffee Marketing Board (TCMB). It was tasked with the regulatory function as performed by CAT with an added mandate of fostering coffee marketing. The transformation was necessary as the CAT did not have a financial capacity to continue funding the CIP and CDP projects which ended in 1984. The transformation also aimed to reintroduce co-operatives in Tanzania.

The third reform came in 1993 when the TCMB was transformed into Tanzania Coffee Board (TCB) to respond to the trade liberalisation policies and the adoption of a free market economy in the 1990s. As a result, the TCMB was exempted from all commercially-oriented functions. In fact, the enactment of the Coffee Industry Act No 23 of 2001 limited the TCB to policy, regulatory, and coordination functions. In 2009, the amendment of the Coffee Industry Act No 23 of 2001 followed the enactment of the Crop Laws (Miscellaneous amendments) Act No. 20 of 2009, which revised the financing structure and functions of Crop Boards.

1.2 TCB Functions and Powers

TCB functions are legally categorised into regulatory functions and co-ordination of shared functions. The shared functions of TCB are executed as joint functions with other stakeholders. These shared functions include research, extension, inputs supply, coffee development and promotion of association or other bodies related to or dealing in coffee industry, promotion of fair trade and competition, provision of technical advisory services to coffee growers, processors, brewers of liquor, traders and exporters.

Pursuant to Section 5 (1) to (6) of the Coffee Industry Act No. 23 of 2001 as amended by the Crop Board Miscellaneous Act No. 20 of 2009, TCB has the following functions and powers:

Functions

- (a) Advise the Government on the policies and strategies for the development of coffee industry.
- (b) Regulate and control the quality of coffee and coffee by-products.
- (c) Collect, refine, maintain, use, or disseminate information or data relating to the coffee industry.
- (d) Monitor the production, exportation, and importation of coffee
- (e) Make regulations for processing exportation and storage of coffee and coffee by products.
- (f) Facilitate or assist in the formation of associations or other bodies related to or dealing in coffee industry.
- (g) Promote and protect the interests of farmers against syndicates of buyers which may be formed through associations.
- (h) Represent the industry in local and international fora on the matters relating to the coffee industry.

Powers

- (a) Grant licences or permits for coffee export.
- (b) Register various coffee dealers.
- (c) Appoint inspectors for the inspection of coffee farms, coffee processing plants, coffee warehouses and any other facilities that may be inspected for the better carrying out any of the provisions.
- (d) Undertake coffee auctions.
- (e) Arbitrate among farmers, traders, processors, brewers, warehousemen and others.
- (f) Acquire, borrow, or lend money for coffee development to enhance coffee quality and production.
- (g) Do anything, which in the opinion of the Board, is calculated to facilitate and enhance the proper exercise of the functions of the Board under this Act.

1.3 Strategic Planning Approach

Participatory and consultative approaches were deliberately employed in the preparation of this Corporate Strategic Plan. As a result, several consultative meetings, and discussions with a wide range of internal and external stakeholders were conducted.

A team of 12 TCB staff representing all departments and units was formed to develop this strategic plan. The team was tasked with collecting information from peers and other stakeholders, reviewing relevant documents, preparing strategic meetings, recording stakeholders' opinions, and writing the strategic plan. A review of several documents to align the TCB Corporate Strategic Plan with the National Strategies was done. These documents include the National Five-Year Development Plan (FYDP II), the Tanzania Development Vision 2025, the Agriculture Policy, the Agricultural Sector Development Programme (ASDP) II, the Integrated Industrial Development Strategy (IIDS), the Coffee Industry Development Strategy (CIDS) and its mid-term evaluation report, International Coffee Organisation (ICO) Reports, Co-operative Development Policy, the National Economic Empowerment Policy, the National Strategy for Youth Involvement in Agriculture, Women and Gender Development Policy, Sustainable Development Goals (SDGs), the Industrialisation Policy National Anti-Corruption Policy (NACP), Ruling Party Manifesto and the National Policy on HIV/AIDS.

To guarantee wide coffee stakeholders' involvement, consultative meetings were held in four (4) coffee growing areas where the draft of the strategic plan was presented and discussed.

2 CHAPTER TWO: COFFEE INDUSTRY OVERVIEW

2.1 Global Coffee Production

According to the International Coffee Organisation (ICO), there are 56 coffee producing countries in the world, 25 of which are in Africa. In the 2018/19 season, the world's coffee production stood at 10.26 million tonnes, with Robusta accounting for 4.3 million tonnes and Arabica 5.96 million tonnes. Brazil is the leading coffee producing country followed by Vietnam and Colombia. In 2018/19, Brazil produced 3.78 million tonnes (36.8%) of the world's production and Vietnam contributed 18.2% and Colombia 8.1%. In Africa, Ethiopia is the biggest coffee producer, which ranked 5th in the world with a production of 0.47 million tonnes followed by Uganda in the 8th position with 0.28 million tonnes and Côte d'Ivoire 13th with 0.14 million tons (ICO, 2019). Table 2.1 shows the production of the world's 20 leading coffee producing countries.

Table 2.1: Twenty Coffee Producing Countries (000' Tonnes)

Rank	Countries	2014/15	2015/16	2016/17	2017/18	2018/19	Contribution (%)
1	Brazil	3,198.3	3,172.2	3,407.3	3,164.4	3,775.5	36.3
2	Viet Nam	1,590.0	1,724.2	1,532.4	1,673.3	1,870.4	18.2
3	Colombia	800.0	840.5	878.1	829.4	831.5	9.1
4	Indonesia	656.8	755.1	692.5	651.1	565.1	7.2
5	Ethiopia	394.5	402.8	437.8	447.2	466.6	4.7
6	Honduras	316.1	347.1	447.4	453.6	439.7	4.4
7	India	327.0	349.8	369.7	348.8	318.1	3.7
8	Uganda	224.7	219.0	297.7	275.8	282.2	2.8
9	Mexico	218.2	166.3	218.1	269.1	261.0	2.5
10	Peru	173.0	198.2	253.4	256.7	255.8	2.5
11	Guatemala	198.6	204.6	221.1	224.0	240.4	2.4
12	Nicaragua	113.9	127.8	153.3	157.0	150.6	1.5
13	Côte d'Ivoire	103.7	77.3	49.0	88.4	137.7	1.0
14	Costa Rica	88.5	86.4	82.3	93.6	85.6	0.9
15	Tanzania	45.2	55.8	50.8	47.0	70.5	0.6
16	Kenya	46.2	48.0	47.6	47.4	55.8	0.5
17	Papua New Guinea	47.9	42.7	70.3	44.0	55.8	0.6
18	El Salvador	39.9	33.9	36.6	45.6	45.7	0.4
19	Ecuador	38.6	38.7	38.7	37.4	36.1	0.4
20	Venezuela	39.0	30.0	31.5	34.3	31.5	0.4

Source: ICO, 2019¹

¹ Based on ICO crop calendar (1st October to 30th September)

2.2 Coffee Production in Tanzania

Tanzania produces two types of coffee, Arabica which contributes an average of 60.9% and Robusta accounting for 39.1%. The country is ranked 4th among the 25 coffee producing countries in Africa.

Tanzania's Arabica growing regions are Kilimanjaro, Arusha, Tanga, Iringa, Mbeya, Kigoma, Manyara, Mwanza, Katavi, Mara, Njombe, Songwe, Rukwa, Geita and Ruvuma while Robusta is grown in Kagera and Morogoro regions. Figure 1 shows coffee growing regions in the country:

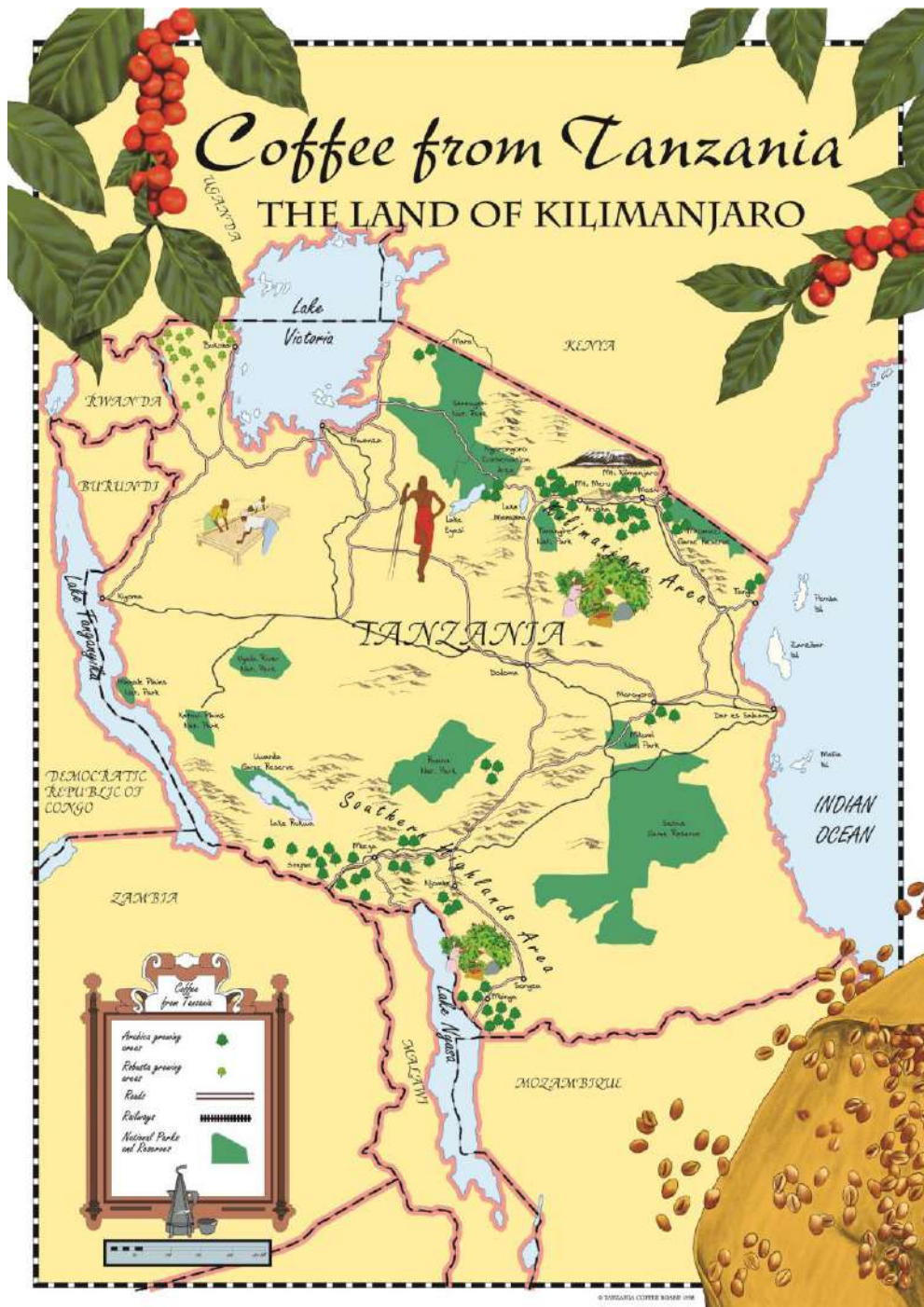


Figure 1: Coffee Growing Regions in Tanzania

Tanzania is uniquely one of the three countries in the world that produce Colombian Mild Arabica. Colombia and Kenya are the other two producers of this unique quality coffee that accounts for 9% of the world's production. Tanzania accounts for roughly 6% of the Colombian Mild group production. About 90% of the total coffee production in Tanzania comes from about 320,000 coffee smallholder farmers with an average of 200 coffee trees and farm sizes of 0.5 - 2 acres. The remaining 10% of coffee is produced by 101 registered coffee estates. According to the Tanzania District Coffee Profile (2018-2019), about 191,500 hectares are under coffee production in 52 growing districts. The profile also indicates that the country has a huge potential land of about 741,895 hectares for coffee production expansion in both the current districts growing the crop and others not doing so.

Notably, Tanzania coffee production has stagnated for more 20 years with an average production of 50,000 Metric Tonnes (MT). The stagnation is largely attributable to low productivity triggered by low coffee prices, large numbers of ageing coffee trees as well as deficient coffee husbandry practices such as inadequate use of industrial fertilisers. Currently, average productivity for Arabica stands at 0.25 Kgs/Tree and 0.35 Kgs/Tree for Robusta. This productivity is far lower than Colombia's 1.1 Kgs/Tree for Arabica and Brazil's 2.5 Kgs/Tree for Robusta, the countries which properly apply fertiliser and have replanting schemes in addition to fostering good agricultural practices (TaCRI, GAIN, 2019 and Ruben et al., 2018). Table 2.2 show Tanzania's coffee production for the past 10 years:

Table 2.2: Tanzania Coffee Production from 2009/10 – 2018/19 (MT)

S/N	Region	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
1.	Kagera	12,746	23,906	11,589	37,403	21,816	15,073	24,631	20,023	12,644	30,453
2.	Ruvuma	4,810	10,333	6,018	9,380	9,080	10,646	13,693	10,855	12,279	16,675
3.	Songwe	NA	NA	NA	NA	NA	NA	11,950	7,183	8,690	10,996
4.	Kilimanjaro	3,029	2,830	4,264	4,407	4,527	3,486	3,314	2,847	3692	3472
5.	Mbeya	10,210	11,915	5,357	15,827	9,295	8,073	1,969	2,139	2,022	2,205
6.	Arusha	3,192	5,712	3,427	2,080	2,330	3,015	2,353	1,843	2,740	1,954
7.	Kigoma	913	748	1,205	1,080	958	1,124	1,094	1,101	677	1,264
8.	Mara	294	1,059	890	619	464	979	770	657	706	882
9.	Tanga	352	62	120	160	52	184	182	189	286	175
10.	Njombe	NA	NA	36	131	118	79	119	86	81	40
11.	Manyara	11	41	15	18	38	21	41	18	16	14
12.	Mwanza	9	2	12	7	5	12	5	7	5	8
13.	Iringa	84	179	131	205	68	65	58	5	24	5
14.	Morogoro	14	-	20	-	9	9	7	9	8	2
15.	Katavi	2	1.7	2	1.3	1.5	1.3	1.4	1	1.1	1
16.	Rukwa	2	1.3	1	0.7	0.5	0.7	0.6	1	0.9	1
17.	Geita	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Total	35,668	56,790	33,087	71,319	48,762	42,768	60,188	46,964	43,872	68,147

Source: TCB, 2019²

² Based on Tanzania Crop calendar (1st May to 30th March)

2.3 Coffee Sales

Coffee Sales in Tanzania occurs in three main marketing channels as stipulated by the Tanzania Coffee Industry Regulations of 2013. These market channels are the Coffee Farm Gate Sale, the Auctions and Direct Exports.

2.3.1 Farm Gate Sale

Farm gate sale is a primary coffee marketing channel whereby coffee is sold after undergoing the primary processing stage for value addition. Under this sale outlet, coffee is traded in form of parchment for washed coffees and dry cherry for unwashed coffees. Farmers can opt to sell their coffees to licensed private coffee buyers or submit to their co-operatives trading on their behalf.

Analysis carried out on price received by farmers at farm gate level indicates that coffee farmers receive an average price as low as 43% share of the Free on Board (FoB) price offered in the auction for Hard Arabica and 60% for Mild Arabica and Robusta coffees. Despite the FoB prices being above the terminal markets, farmers continue receiving low shares attributable to inefficient marketing systems characterised by high transaction costs, low competition and multiple taxes, and levies.

GAIN (2019) reports that low prices discourage farmers and, hence, many growers consider quitting coffee production and, instead, plant other crops such as avocados, vanilla, and vegetables. Implementation of counter measures such as increasing competition and reducing transactional costs are necessary for a sustainable coffee industry. Table 2.3 presents share received by farmers from FoB price.

Table 2.3: Average Share of Farm Gate vs. FoB price (Prices in TZS/Kgs)1:

	2014/15	2015/16	2016/17	2017/18	2018/19	Av. FoB Share (%)
Exchange Rate	2,010.3	2,168.02	2,219.05	2,255.16	2,278.12	
	ARABICA (Parchment)					
FoB Price	7,860.30	5,311.02	6,901.25	6,021.27	4,738.49	
Mbeya Farm Gate Price	3,400	3,800	4,200	3,220	3,150	59.1
Ruvuma Farm Gate Price	3,500	4,000	3,600	3,400	3,000	58.4
North Farm Gate Price	4,100	3,400	4,600	3,800	2,600	60.2
Kigoma Farm Gate Price	4,500	4,000	3,800	3,500	3,000	61.8
	HARD ARABICA (Dry Cherry)					
FoB Price	2,967.64	1,708.62	2,506.34	2,039.73	1,697.76	
Mara Farm Gate Price	800	800	800	1,000	1,000	42.7
	ROBUSTA (Dry Cherry)					

FoB Price	3,920.90	3,989.16	3,750.19	3,134.67	3,303.27	
Kagera Farm Gate Price	1,000	1,000	1,200	1,100	1,100	60.4

Source: TCB, 2019

2.3.2 Auction Sale

Auction is another coffee marketing channel through which coffee get traded in a form of green beans. This channel allows coffee estates and cooperatives to present their coffees for sale via electronic coffee auctions. Coffees are sold in auctions as per sample presented to the buyers with the physical consignments stored in different licensed warehouses across the country.



Electronic Moshi coffee exchange

For more than 10 years, coffee auction prices have been above the terminal markets of New York and London with the exception of 2012/2013 for arabica when coffee supply was excessively over and above the world demand. Table 2.4 compare the price offered in Coffee Auctions and Terminal markets in the previous ten (10) years.

Table 2.4 Average Coffee Auction Prices vs. Terminal Coffee Prices Trends (\$/50Kgs)¹

Year	MILD ARABICA				ROBUSTA			
	Quantity Sold (MT)	New York Price	Auction Price	Variance (%)	Quantity Sold (MT)	London Price	Auction Price	Variance (%)
2009/2010	18,071	138.17	161.38	14.38	5,064	54.04	65.07	6.83
2010/2011	24,356	216.95	235.31	7.80	5,105	79.29	86.47	3.05
2011/2012	17,397	239.30	255.12	6.20	3,893	83.37	104.45	8.26
2012/2013	29,096	168.00	157.54	-6.64	4,834	86.23	104.23	11.43
2013/2014	22,911	123.25	131.61	6.35	2,432	71.16	89.04	13.59
2014/2015	19,569	188.18	201.59	6.65	1,517	85.42	101.95	8.20
2015/2016	27,340	122.97	131.49	6.48	1,477	65.31	92.62	20.77
2016/2017	19,817	154.85	161.61	4.18	1,353	87.40	113.46	16.13
2017/2018	21,006	128.75	142.55	9.68	1,314	79.80	89.74	6.97
2018/2019	33,032	108.61	111.36	2.47	7,506	67.13	78.92	10.59

Source: TCB, 2020

In the 2018/19 season, coffee auctions went through major transformation following a resolution that resulted in the country's establishment of Zonal Coffee Auctions in addition to the previously centralised coffee auction in Moshi. The move aimed to reduce transactional costs, increase market transparency, and attract more buyers, hence boosting competition that often results in competitive coffee prices accruing to the farmers. However, coffee auctions have continued to be dominated by the four companies that bought 77.2% of the total coffee offered in the 2019/2020 season. Also, there concern over the increase in transactional costs incurred by the buying companies as a result of travelling (logistics) to Ruvuma and Songwe for coffee auctions as of current coffee auctions require a buyer's physical presence. With that effect, TCB is planning to upgrade the auction system and start conducting an online auction in future. Table 2.5 portrays the purchasing share of coffee buyers in auction in the previous five (5) years.

Table 2.5: Purchasing Share of Buyers in Coffee Auction (%)¹

S/N	COMPANIES	2014/15	2015/16	2016/17	2017/18	2018/19
1	Taylor Winch (T) Ltd	18.3%	20.5%	23.2%	28.4%	21.5%
2	Ibero Coffee Trading Co. Ltd.	20.0%	23.4%	20.5%	23.4%	21.4%
3	Dorman (T) Ltd	17.8%	16.9%	19.0%	19.4%	22.7%
4	Cotacof Co. Ltd	15.0%	14.7%	13.5%	16.4%	11.6%
5	Kagera Coffee Union Ltd	4.7%	5.7%	3.7%	1.9%	5.8%
6	Others	24%	19%	20%	11%	17%

Source: TCB, 2020.

2.3.3 Direct Export Sales

Direct Export sale allows coffee farmers and estates to trade directly with buyers outside Tanzania. This window offers a ground to form trade partnerships that guarantee markets and reduce price risks. To protect the interests of farmers, direct export contracts need registration with the TCB to ensure farmers receive the best market price.

The Direct Coffee Export window has gathered pace over the years since its introduction in the 2003/2004 season and 2016/2017 it accounted for 55% of all coffee sales (Table 2.6). This window has attracted most of the farmers, hoping to get better prices for their produce relative to the auction prices.

In the 2019/2020 season, the Direct Export window benefited from the introduction of forward contract sale that allow farmers to enter into contractual agreements with foreign buyers prior to the coffee harvests with a possibility of receiving upfront up to 70% in advance payments. This move proved successful with Robusta whereby higher prices were offered. The advance payments discouraged a need for Co-operatives to seek bank loans with higher interest rates. This achievement and benefits associated with this window calls for extending such contract-based sales to Arabica coffees. Table 2.6 show a comparison between auction and direct coffee sales.

Table 2.6: Comparison between Auction and Direct Coffee Sales (Price in \$/50Kgs)¹

Year	Prices for Mild Arabica		Prices for Hard Arabica		Prices for Robusta		Coffee Volume Sold Via	
	Auction	DE	Auction	DE	Auction	DE	Auction	DE
2009/10	155.14	177.88	98.93	98.72	64.85	60.93	68%	32%
2010/11	217.53	230.98	134.44	127.22	83.56	74.88	54%	46%
2011/12	253.95	307.92	182.82	169.49	105.92	105.60	65%	35%
2012/13	150.69	195.83	116.38	117.77	101.68	102.71	49%	51%
2013/14	120.96	172.74	91.71	104.84	87.80	94.00	54%	46%
2014/15	195.58	237.79	147.62	142.16	97.61	100.33	51%	49%
2015/16	121.30	169.63	78.81	140.81	92.02	87.76	49%	51%
2016/17	155.70	195.03	112.95	146.60	84.63	95.29	45%	55%
2017/18	133.71	183.29	90.45	123.04	69.31	103.32	68%	47%
2018/19	104.05	178.15	74.52	58.22	72.33	70.25	54%	37%
2019/20	109.49	141.94	98.69	78.39	88.43	67.68	41%	59%

Source: TCB, 2019

2.4 Coffee Quality

The need to increase the quality of coffee cannot be overemphasized. Price quality analysis indicates poor quality coffees are more prone to price volatility, as table 2.7 illustrates. In fact, poor quality Arabica coffees of class 8 – 17 attracted lower prices than

good quality coffees of classes 1 – 6 that, inevitably, attract good prices. In 2018/19 season poor quality coffees received as low as \$ 1.59/kg whereas good quality coffees received as high as \$ 2.86/kg.

Among other factors, poor quality coffees result from mostly lack of quality processing facilities and poor management. Estimates show that about 65% of Arabica coffee is currently home-processed, hence producing inconsistent coffee of largely poor quality. On the other hand, there is an opportunity of improving coffee quality that could lead to higher prices through the adoption of better harvest and post-harvest management practices. Improving the quality of processing facilities includes the adoption of central pulper units (CPU) for Arabica. CPU are essential in improving the quality of coffee. Production of quality coffees will enable Tanzania to regain its position in the Colombian Milds group and secure higher premium prices for Arabica in the entire value chain.

The specialty coffee quality segment is another market opportunity for the Tanzania coffees. About 15% of Tanzania's coffees produce fall under speciality segment whereby different Certification Schemes such as Fair Trade, Rainforest Alliance, Starbucks, Eco Cert, UTZ Certified and Organic have played a major role in advancing this segment. Specialty coffee market offers farmers higher prices through quality premiums. This market segment currently represents about 3% of global production, with a 2% annual growth rate (Technoserve, 2017). Such a fact calls for more measures in collaboration with key stakeholders to ensure adherence to good agricultural and management practices that enhance certification and production of speciality coffee and, ultimately, translate into premium prices for the produce. Table 2.7 shows the relationship between quality of coffee and prices:

Table 2.7 Average Coffee Quality (%)vs. Price (\$/kg) for 2018/19: 1

S/N	Regions	Class 1-6 (%)	Price	Class 7 (%)	Price	Class 8-10 (%)	Price	Class 11-17 (%)	Price
1	Mbinga	10.5	2.7	18.4	2.22	20.3	2.2	25.5	1.29
2	Songwe	11	2.88	19.3	2.44	20.1	2.4	24.8	1.81
3	Mbeya	9.1	2.88	19.2	2.44	20.7	2.4	25.5	1.81
4	Arusha	20.2	2.94	24.7	2.68	25.2	2.5	15.0	1.59
5	Kigoma	31.3	2.84	28.3	2.36	24.6	2.34	7.9	1.50
6	Kilimanjaro	24.1	2.94	20.3	2.68	17.9	2.5	18.9	1.59
	AVERAGE	17.7	2.86	21.7	2.47	21.47	2.39	19.6	1.60

Source: TCB, 2020

2.5 Domestic Coffee Consumption

In Tanzania, domestic coffee consumption growth has been relatively slow at roughly 0.23% per annum over the last five years when compared to the global rate of 2%. ICO indicates domestic coffee consumption in Tanzania in 2018/19 was 5.5 tonnes, an equivalent of 8% of the coffee produced, suggesting that Tanzania still depends on external markets that are largely characterised by price volatility. This orientation is contrary to countries such as Ethiopia whose 50% of its coffee production is consumed domestically.



Traditional Coffee Vendors (Vijiwe vya Ghahawa)

Moreover, this low domestic coffee consumption in Tanzania is baffling as the only two instant coffee factories in East Africa are based in Kagera region of the country. Similarly, there are 38 licensed roasting factories across the country. Despite their existence, Tanzania still faces low domestic coffee consumption due to factors such as the absence of a coffee drinking culture and a common public myth and misconception about the health effects of coffee consumption. Use of different strategies in stimulating domestic consumption such as manufacturing of low-cost home coffee makers and roasting machines could boost the domestic consumption while reducing over-dependence on external markets to ensure stable prices. Table 2.8 shows domestic consumption in African countries.

Table 2.8 Domestic Coffee Consumption in Africa (Tonnes)¹

Rank	Country	2014/15	2015/16	2016/17	2017/18	2018/19
1	Ethiopia	217.50	222.00	223.50	225.00	228.00
2	Madagascar	23.40	22.20	21.60	21.90	22.50
3	Côte d'Ivoire	19.02	19.02	19.02	19.02	19.02
4	Uganda	13.75	14.04	14.40	14.69	15.00
5	Democratic Republic of Congo	12.00	12.00	12.00	12.00	12.00
6	Tanzania	4.60	5.52	5.48	5.50	5.52
7	Cameroon	4.52	4.56	4.62	4.68	4.68
8	Kenya	3.30	3.60	3.60	3.90	4.20
9	Guinea	3.00	3.00	3.00	3.00	3.00
10	Nigeria	2.40	2.40	2.40	2.40	2.40
11	Angola	1.80	1.80	1.80	1.80	1.80
12	Central African Republic	1.20	1.20	1.20	1.20	1.20
13	Liberia	0.30	0.30	0.30	0.30	0.30
14	Sierra Leone	0.30	0.30	0.30	0.30	0.30
15	Zimbabwe	0.24	0.24	0.24	0.24	0.24
16	Congo	0.18	0.18	0.18	0.18	0.18
17	Burundi	0.12	0.12	0.12	0.12	0.12
18	Ghana	0.12	0.12	0.12	0.12	0.12

Source: ICO, 2019

2.6 Business Environment

East African Trade Portal report of 2018 on the ease of doing coffee business index indicates that it costs about USD 1,631 for shipment of a container of coffee in Tanzania, which is almost 68.4% of the cost of USD 208 incurred in Rwanda (Table 2.9). The report also indicates that it requires an approval from 14 different institutions to acquire the 48 different types of documents necessary to validate a shipment of one coffee container. Higher costs and number of steps through multiple institutions with different guiding laws in the coffee value chain act as a stumbling block in achieving a conducive business environment which is prerequisite to attract more investment to the country's coffee industry. Table 2.9 compares the ease of doing business in several East African coffee producing countries by looking at several issues involved in exporting a coffee container:

Table 2.9 Coffee Business Index Comparison in Exporting a Coffee Container: 1

INDICATORS	Tanzania	Rwanda	Uganda	Kenya	Burundi
Number of Steps	40	20	33	61	40
Number of Institutions for approval	14	11	12	22	8
Required Documents	48	21	39	61	23
Estimated container shipment Costs (\$)	1631	208	974	677	N/A

Total Duration (Days)	8 – 26	1 – 3	7 – 19	26 - 123	25 – 65
Number of Laws	14	10	7		2

Source: EAC Trade Portal, 2018

Moreover, frequent policy changes over the years have had a negative impact on the coffee business environment. The most recent policy change occurred in 2018/19 when the country banned licensed private companies from buying coffees from farmers. The decision led to closure of business operations for some investors who had already invested highly in the coffee industry. Some of the companies that closed business were leading coffee exporters in Tanzania. The Government has recognised the negative impact caused by this policy change and in the 2020/21 season rescinded the decision and private coffee buyers started to buy coffee from farmers but through their co-operatives.

Moreover, the Tanzania Government has taken several measures aimed to create a more enabling coffee business environment. Such measures include the abolishment and reduction of 17 taxes, deductions, and fees in 2018 out of 28 taxes existed in sector. These levies had been a major source of stakeholders' complaints for many years. Indeed, stakeholders had found these taxes, deduction and fees to be a burden to small holder farmers as they significantly ate into their profit margins. Consequently, an impact analysis on price following the tax and levy reform indicates a positive effect, as the farmers' prices increased by 2.6% per kilogramme of parchment for Arabica coffee and 2.9% of dry cherry for Robusta. Also, the use of an online system (ATMIS) for licence and permit application has reduced the costs and time for investors.

However more measures such as ensuring engagement of stakeholders in the formulation of stable and favourable policies and reduction of the length and costs of the value chain are necessary in further creating an enabling business environment for the sustainability of the coffee sub-sector.

3 CHAPTER THREE: PERFORMANCE EVALUATION

3.1 TCB 1st Corporate Strategic Plan

The first CSP had four (4) strategic objectives to be achieved in the five years of its implementation from 2013/2014 to 2018/2019. The objectives were:

- a) Internal capacities for proper functioning enhanced,
- b) Coffee Industry Acts and attendant Regulations enforced,
- c) Coffee stakeholders co-ordinated and shared functions implemented, and
- d) The National Agricultural Policy implemented and mainstreaming of cross-cutting issues (Anti-corruption and HIV/AIDS) facilitated.

3.2 Performance Assessment of 1st Corporate Strategic Plan

Overall, the assessment of the implementation of first Corporate Strategic Plan indicates a success of an average of 50% - 60%. This performance was below expectation due to challenges such as insufficient funding and lack of effective monitoring and evaluation system. The CSP also lacked clear key performance indicators for assessment during its implementation phases. Therefore, the review of the CSP is based on the implementation of the planned activities in achieving the set objectives. Table 3.1 details the achievements and constraints for each of the specific objective and proposed way forward in designing for the subsequent implementation of the Second Corporate Strategic Plan:

Table 3: 1 Performance Assessment of 1st Corporate Strategic Plan

Objectives	Review	
	Achievements	Constraints
Internal capacities for proper functioning enhanced	<ul style="list-style-type: none"> - Internal revenue have increased by an average of 41.3% in the four years of implementation. - 17 staff have been employed. - Seven capacity-building trainings have been offered to employees. - Several tools and facilities as well as ICT equipment have been acquired. - Existing infrastructures including 6 buildings have been maintained. 	<ul style="list-style-type: none"> - Shortage of 35 staff - Failure to get approval for the reviewed Scheme of Service, Job description and manning levels.
	Proposed Way forward	

Objectives	Review	
	Achievements	Constraints
	<ul style="list-style-type: none"> - To review and ensure approval of Scheme of Service, job description and manning levels. - To promote staff to fill gaps. - To identify new and strengthen the existing sources of income - To construct new TCB buildings in Dodoma, Dar es Salaam, Mbinga, Mbeya and Kagera. - To acquire modern coffee roasting and packaging facilities. - To certify the TCB laboratory. 	
Coffee Industry Acts and attendant Regulations enforced	<ul style="list-style-type: none"> - 17 taxes in the coffee industry abolished and some reduced - 286,171 coffee farmers were registered - Coffee husbandry guidelines (National Curriculum) were developed - 2011-2021 coffee industry guidelines was reviewed. - 152 contract farming agreements were registered - Licences and permits were issued - Awareness of coffee regulation among stakeholders has been enhanced. 	<ul style="list-style-type: none"> - Regular policy changes
	Proposed Way forward	
	<ul style="list-style-type: none"> - To review and amend the Coffee Industry Regulations of 2013 in response to the current situation. - To develop a Client Service Charter. - To establish electronic systems for data collection, analysis, and dissemination. - To carry out an analysis of the coffee value chain to establish areas that require interventions and improvement in addition to cost reduction in business undertaking. 	
Coffee stakeholders co-ordinated and shared functions implemented	<ul style="list-style-type: none"> - Organised and co-ordinated 5 annual and biannual stakeholders' meetings. - Co-ordinated contribution of funds for coffee research from stakeholders. - Co-ordinated provision of extension service in collaboration with LGAs. - Ensured the availability of input in co-ordination with financial institutions and co-operatives. 	<ul style="list-style-type: none"> - Lack of clear mechanism for monitoring and evaluating the implementation of shared functions. - Failure of LGAs to reinvest 20% of coffee levy collected in coffee development activities as agreed.
	Proposed Way forward	
	<ul style="list-style-type: none"> - To establish monitoring and evaluation mechanisms for the implementation of shared function. - To establish mechanism for coffee price stabilization. - To strengthen communication between TCB and coffee stakeholders. 	

Objectives	Review	
	Achievements	Constraints
The National Agricultural Policy implemented and mainstreaming of cross-cutting issues facilitated	<ul style="list-style-type: none"> - Five HIV/AIDS trainings and testing were done - Provision of nutritional support to infected staff. 	<ul style="list-style-type: none"> - Low level of acceptance among staff to go for voluntary testing and counselling. - Failure to conduct Anti-corruption and Gender trainings. - Failure to develop anti-corruption, Gender and HIV/AIDS policy
	Proposed Way forward	
	<ul style="list-style-type: none"> - To develop Anti-corruption, Gender and HIV/AIDS organization policy. - To develop fraud control framework program. - To develop Strategy to engage Youth in coffee farming. - To enhance the sensitisation of staff and stakeholder on environmental conservation. 	

3.3 Critical Issues for Consideration in New Strategic Plan

Following a lesson learnt from the assessment of the implementation of the 1st Corporate Strategic Plan, the following areas need to be addressed in the coming 2nd CSP to make further improvements:

- a) Strengthen current sources of funds
- b) Identify and develop new sources of funds
- c) Develop new infrastructures and upgrade the existing ones.
- d) Develop initiatives to boost coffee productivity and production
- e) Create a conducive coffee business environment
- f) Develop an effective Monitoring and Evaluation system for strategic plan implementation.
- g) Increase farmers' share from the FoB price
- h) Improve co-ordination of shared functions
- i) Update TCB Operating Manuals
- j) Develop a Client Service Charter
- k) Motivate and boost Staff Morale
- l) Improve staff capacity
- m) Improve and control Data cleanliness and integrity
- n) Develop an ICT Policy
- o) Improve Coffee Quality
- p) Increase domestic consumption

4 CHAPTER FOUR: ENVIRONMENTAL SCANNING AND SITUATION ANALYSIS

4.1 Internal Environmental Scan

The Tanzania Coffee Board (TCB) has carried out an environmental analysis to assess key issues that affect its internal operations in areas of establishment, resource capacity, co-ordination of shared functions and partnership. This analysis provides TCB with strategic directions to be pursued to mitigate and minimise adverse impact of challenges facing the organisation.

4.1.1 TCB Establishment

TCB has been established by the Coffee Industry Act of 2001 (as amended in 2009) and the Coffee Industry Regulations of 2013, hence making it the only mandated institution with authority to oversee the coffee industry in Tanzania. The degree of autonomy that TCB has is reflected in the independence of the Board in making decisions required to accommodate necessary changes in the development of the coffee industry. Despite the TCB's autonomy, there are challenges posed by existence of several laws and policies from other institutions that hinder the implementation of its mandated functions. TCB will however, continue with its effort of aligning such laws and policies with the Coffee Industry Act and Regulations for the smooth development of the industry.

4.1.2 Physical Resources

TCB has offices in four coffee producing zones that link the Board with coffee stakeholders at all levels. These offices facilitate the performance of regulatory functions such as controls over coffee production and quality. Through these offices, TCB enhances its interaction with stakeholders, thus improving service delivery. These offices are well staffed and equipped with facilities such as coffee laboratories for quality assessment and control. These offices are based in Mbinga, Mbeya, Bukoba and Moshi. The Mbinga zonal office serves Ruvuma, Njombe and Iringa regions. Mbeya zonal office serves Mbeya, Songwe, Katavi and Rukwa regions. The Bukoba zonal office serves Kagera, Kigoma, Mwanza, Geita and Mara regions. The Moshi zonal office serves Kilimanjaro, Arusha, Manyara, Tanga and Morogoro regions. Except for the Moshi zonal office, which also serves as the Headquarters in a TCB building, the remaining three offices operate in rented buildings.

In addition, TCB has branches in Dar es Salaam and Tanga, which facilitate coffee exports. The Dar es Salaam Branch warehouse is rented, hence increasing its operational costs, and limiting its ability to expand. In Tanga, TCB owns an 8,576 square metre warehouse capable of storing 36,000 tonnes of coffee at once. The warehouse has equipment for bulking, blowing, grading, sewing and forklift for loading, and offloading.

TCB also owns 12 residential houses for its staff and eight (8) vehicles that facilitate operations in different areas of the country. Furthermore, it has acquired a plot of land for the construction of investment centres in Dodoma and it is in the processing of acquiring a land in Dar es Salaam to build its own infrastructure.

Overall, TCB needs to upgrade its infrastructures by acquiring tools and equipment in addition to providing a conducive working environment to enhance efficiency. More significantly, TCB must construct its own offices in Mbinga, Mbeya and Bukoba as well as a warehouse in Dar es Salaam to cut operational costs down and improve service delivery.

4.1.3 Human Resource Capacity

Currently, TCB has 63 professional and competent staff in various positions of its organisational structure. The 63 employees have qualities that are needed for effective implementation of the CSP as follows: 33 of the existing staff hold higher education degrees 14 hold master's degrees, 18 have bachelor's degrees whereas one a postgraduate diploma. Thirty of the employees have lower levels of education including 10 Staff with a Diploma and 20 with certificates in secondary and two with primary education. Furthermore, the TCB has staff with assorted professional qualifications such Certified Public Accountants - CPA (3), Certified Supplies Professional – CSP, Q-Grader, and other professions.

According to the Scheme of Service, TCB needs a 98 staff to carry out its responsibilities effectively. Currently, TCB still faces a shortage of 35 staff. Also, the management performance system has largely been ineffective, and the organisation had to contend with out-dated operational manuals, unclear capacity development programmes, and succession plans, which tend to frustrate the staff and demotivate them in their daily work, hence leaving them with uncertainty in attainment of the set organisational goals.

Thus, TCB needs to recruit new staff, promote and re-categorise qualified staff to fill the gaps. TCB also ought to review its operational manuals, Scheme of Service, prepare training programme, succession plan, and an incentive scheme to improve staff capacity and morale.

4.1.4 Financial Resources

TCB depends on government subventions and own sources to fund its operations. Government subventions include the Personal Emolument (PE) and Other Charges (OC). Own source fund is generated from Export fees, Export Services, Roasting Unit, Rent of offices and warehouses. TCB's revenue has been gradually fluctuating because of variability in coffee production, coffee prices, changes in policies and low domestic coffee consumption. Government funds have also been dwindling over time due to competition among many government departments over the available limited financial resources. For example, OC has declined by 82.6% over 10 years and TCB rarely receives government funds for development purposes.

These being the case, concerted efforts are necessary to identify new investment areas in addition to strengthening the current business units by equipping them with advanced and modern infrastructures. Significantly, TCB must explore opportunities for developing project proposals and present them to development partners for possible funding. Table 4.1 summarised the source of fund for TCB.

Table 4: 1 Revenue Statistics (Figures in Millions of TShs)

S/N	SOURCE OF FUNDS	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
1	Government Subvention	918,080	1,171,316	1,035,050	1,100,581	1,018,743	935,216	879,670
2	Exporters Contribution	542,526	282,434	266,415	557,252	383,788	503,176	2,257,305
3	Direct Export Fee	254,003	326,404	463,778	338,570	236,029	453,183	-
4	Regulatory	94,726	176,254	170,808	128,011	111,505	100,980	145,535
5	Warehouse	417,148	433,005	238,903	360,142	308,905	293,483	735,089
6	Clearing and Forwarding	215,337	141,731	177,491	291,858	165,424	516,388	828,320
7	Rental	361,520	101,875	85,684	352,775	348,987	403,528	194,417
8	Roasting Unit (CRU)	116,570	92,865	115,367	136,407	239,053	299,492	198,538
9	Interest Income	57,698	138,274	99,504	90,341	46,105	-	-
10	Other Revenue	742,241	605,269	845,917	1,153,289	745,216	2,008,168	676,116
		3,719,848	3,469,427	3,498,917	4,509,226	3,603,755	5,513,614	5,914,990

Source: TCB, 2020

4.1.5 Operational Systems

Automation of TCB operations has been a key focus of the organisation. Various operational systems have been put in place to boost efficiency in the functions carried out by the organisation. The operational systems software have included the Accounting Package, Coffee Farmers and Dealers Register, Coffee Auction, Licence and Permit Issuing (ATMIS) system. Despite this progress, inadequate internal system integration, data integrity and control continue to pose a challenge, which requires improvement. Also, a clear plan for acquiring and further upgrading of operational systems remains inevitable. It is imperative to put in place a plan to upgrade the physical Coffee Auction System to an Online Coffee Exchange.

4.1.6 Co-ordination of Shared Functions

As stipulated in the Coffee Industry Act and its Regulations, co-ordination in implementing the shared functions is key to achieving the industry's goals. In co-ordinating shared functions, TCB coordinated the process of developing the 2011-2021 Coffee Industry Development Strategy. The strategy provided direction by establishing strategic goals, setting targets, and framing performance expectations for each stakeholder within a stated period. Moreover, TCB has been co-ordinating and facilitating coffee stakeholders' meetings at the regional, zonal and national levels to monitor the implementation of the shared functions. Other co-ordinated activities include developing a coffee extension manual, preparing coffee quality contests, supplying inputs, sourcing funds for research

institute, and promoting Tanzania’s coffee at local and international fora.



National coffee conference

Regardless of the TCB efforts, the Mid-term evaluation report on the Coffee Industry Strategy (2011-2021) identified weak and, at the most, lack of clear co-ordination among stakeholders as a reason behind non-achievement of the industry’s goals. This shortcoming calls for serious attention in a bid to improve co-ordination in implementing the shared functions for the attainment of desired coffee industry outcomes.

4.1.7 Partnership

TCB recognises the need for strong and deep-rooted partnership with different actors from within and outside the country as highlighted by the country’s Public Private Partnership (PPP) policy. TCB has partners throughout the coffee value chain including several key service providers such as financial institutions, input suppliers, research institutes, seedling multiplier and extension service providers. Also, TCB has an entrenched relationship with coffee farmers, mostly through their co-operatives. Furthermore, TCB has partnerships with NGOs and several local and international coffee associations such as TCA, TCGA, AFCA, IACO and ICO. TCB enjoys established marketing relationships with several importing countries of our coffee. Thus forging close relationship and strong partnerships remains a crucial agenda for the sustainability of TCB and the coffee industry as a whole.

4.1.2 External Environment Scan

4.1.2.1 Political environment

Coffee is one of the National Strategic Crops grown in 71 constituencies of the 17 regions. Is the cash crop with largest number of Members of Parliament (MPs). This fact offers an opportunity for TCB to drive the coffee development agendas to solicit the support and influence of MPs. MPs are crucial in creating a favourable business environment through formulation of stable and predictable policies. In this regard, TCB needs to keep the MPs well informed on key issues that affect the coffee industry for proper formulation of policies and interventions.



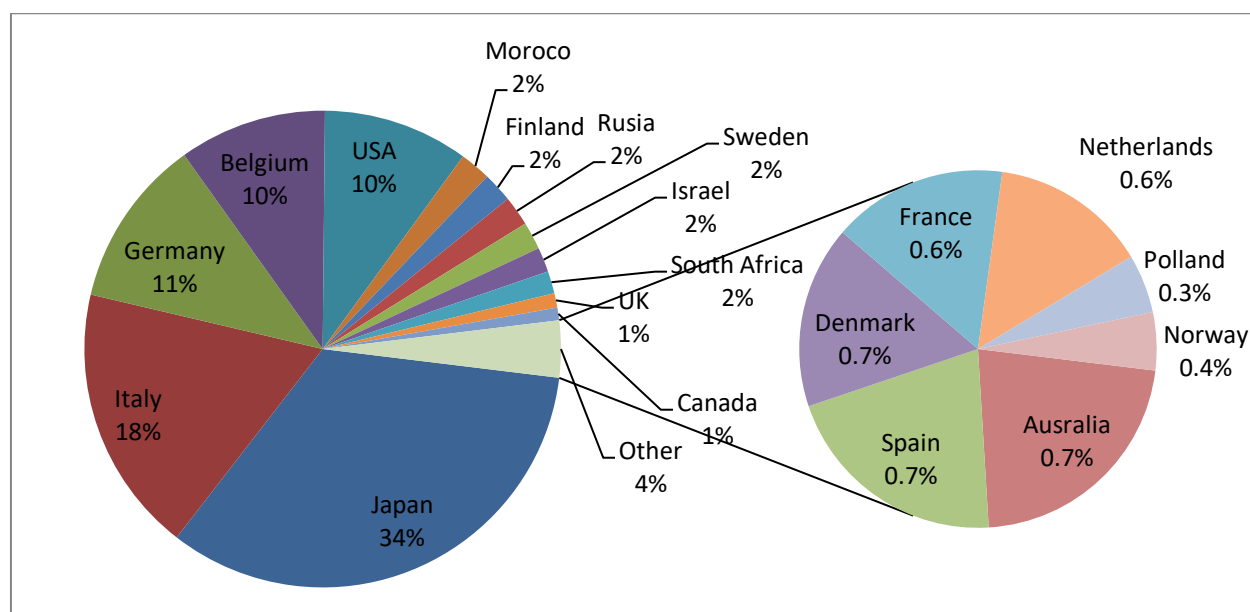
Prime Minister visiting coffee nursery in Ruvuma Region

4.1.2.2 Economic environment

Tanzania economy has grown from annual growth rate of 6.2% in 2015 to 7.0% in 2018, with agriculture contributing 28.2% of the total National GDP, and coffee accounts for 24% of the agriculture GDP (NBS, 2019). The Annual Headline Inflation Rates have decreased from 5.6% in 2015 to 3.4% in 2019 while per capita income increased from USD 992 to USD 1,126 during the same period.

Notably, the sector contributed about 2% of the National exports value and generated an average annual income of USD 150 million from 2015 to 2019 (see Table 4.2). The national export income includes green coffee component exported to the five major importers of Tanzania coffee: Japan, Italy, Germany, Belgium and the USA (see Figure 2). Coffee foreign earning is subject to price volatility determined by the world market supply and demand trend. It also contributed to the development of the country's industrial

economy, which witnessed a growth in licenced coffee processing industries from 43 in 2015 to 69 in 2019 in both secondary and treasury level.



Source: TCB, 2019

Figure 2: Twenty Importing Countries of Tanzania Coffee in 2018/19

Table 4: 2 Cash Crops Foreign Earnings (USD 000'000)

S/N	Crops	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019
1	Tobacco	127.4	232.4	281.2	350.1	307.0	315.0	287.6	312.7	274.0	225.0	192.0
2	Cashewnuts	68.6	96.9	107.0	142.6	162.4	222.2	218.8	270.6	401.5	489.9	2.1
3	Coffee	111.2	101.6	142.6	186.6	171.0	121.5	162.2	154.2	144.3	138.6	162.4
4	Cotton	111.0	84.0	61.6	164.9	111.7	54.7	30.2	46.8	45.9	35.6	79.4
5	Tea	47.2	49.8	47.2	56.1	56.9	45.7	44.0	44.7	40.2	52.5	49.3
6	Cloves	14.4	7.6	28.9	38.1	43.0	52.9	24.1	39.3	10.0	48.5	1.7
7	Sisal	6.7	10.9	16.9	18.4	16.9	16.8	26.5	17.2	21.9	30.2	31.1

Source: TCB, 2019 and BOT, 2018

4.1.2.3 Social culture environment

Tanzania coffee farmers operate in about 500 co-operatives, which offer the following services to their members: Collecting their produce and selling them collectively, ensuring access to affordable inputs and extension services while increasing their market bargaining power. Traditionally, small-scale farmers in Tanzania grow coffee by intercropping as a means for income diversification and food security. Family members

constitute the workforce on the farms where women and children are mostly subjected to the hard-labour activities including primary processing. This tendency also discourages youth involvement in coffee cultivation. TCB in collaboration with stakeholders will continue to advocate for gender equality, discouraging child labour and encouraging youth involvement along the coffee value chain.

Customary, coffee is one the favourite drinks in coastal areas where it is often sold by street vendors in selling points popularly known as “*vijiwe vya ghahawa*”. Moreover, coffee is at times offered as part of dowry. On Tanzania Mainland, areas such as Kagera region treat coffee as a precious crop with important guests welcomed to chew boiled and dried coffee beans known as “mwani”. Despite this custom, the coffee consumption rate remains low compared to the coastal areas due to negative perception of its effects on human health. As such, the formulation and implementation of a coffee promotion strategy would be a crucial key to unlocking the potential in a bid to increase domestic coffee consumption.

4.1.2.4 Technological Environment

Tanzania’s coffee sector benefits from the Coffee Research Institution (TaCRI), which is dedicated to coffee research. TaCRI helps the sector to develop technologies that are cost-effective in a bid to maximise productivity. Currently, TaCRI has developed 19 Arabica and 4 Robusta varieties that are highly productive and resistant to common diseases and drought. Management costs for these varieties are almost 40% lower than those for the traditional coffee varieties. TaCRI and other extension service providers in conjunction with TCB are encouraging farmers to adopt these new varieties as part of concerted efforts aimed to rehabilitate and renovate their farms. In line with this thrust, TCB will establish an input credit system to facilitate the timely availability of affordable farm inputs.

4.1.2.5 Legislative Environment

The Coffee Industry Act of 2001 as amended by the Crop Laws (Miscellaneous Amendments) Act of 2009 and the Coffee Industry Regulation of 2013 mandate TCB to regulate and co-ordinate the coffee industry regarding all matters relating to the coffee agro sub-sector in Tanzania. Despite the powers and mandate vested in TCB, the sector still faces policy and legal challenges that affect the coffee business environment. These challenges include the Land Tenure System that threatens investments in coffee estates due to its time limitation in land title-deeds. Furthermore, this system does not protect areas under agricultural activities, hence a decrease in coffee acreage following the inhabitation of land used for coffee cultivation. This phenomenon is highly marked in Kilimanjaro, Mbeya, and Arusha regions.

The coffee industry also faces more challenges in implementing shared functions due to lack of a legal framework that binds stakeholders to implement agreed upon activities. Such challenges include reinvesting 20% of the Cess collected by Local Government Authorities into coffee development activities as agreed by coffee stakeholders. TCB in

co-ordination with MDAs and other stakeholders will be advocating for the formulation of friendly legal and policy frameworks for coffee sector sustainability.

4.1.2.6 Environmental Effects

Climate Change has negatively impacted on coffee production, especially among smallholder farmers who contribute about 90% of the total coffee production. This impact has stemmed from the variability and unpredictable rainfall patterns associated with increased temperatures, which have forced farmers to diversify to other crops and activities, hence a declining trend in coffee production especially in the Northern regions. The industry has also emphasised on maintaining environmental sustainability by encouraging farmers to embrace good agricultural practices, adopt water and soil conservation practices and engage in certification schemes.

Providing support and encouragement to farmers to participate in schemes for sustainable coffee production would be beneficial to the Tanzania's coffee sector. In the long-term, concerted efforts should be directed towards ensuring the preservation of the environment together with socio-economic and gender equity. Moreover, such exertions constitute an economic opportunity for seeking price premiums on the international markets.

4.2 TCB Stakeholders Analysis

TCB stakeholders' analysis as indicated in Table 4.4 has followed the Mendelow's model of POWER/INTEREST by mapping what each stakeholder needs from TCB and what TCB needs from each stakeholder. Mendelow (1981) advocates for keeping stakeholders with high power but with low interest SATISFIED; those with high power and high interest to be MANAGED CLOSELY; those with low power, but high interest to KEEP THEM INFORMED; and stakeholders with low interest and low power are to be MONITORED to ensure that no opportunity is given to them for negative comments on the organisation. Figure 3 below presents the Mendelow's model for stakeholders analysis:

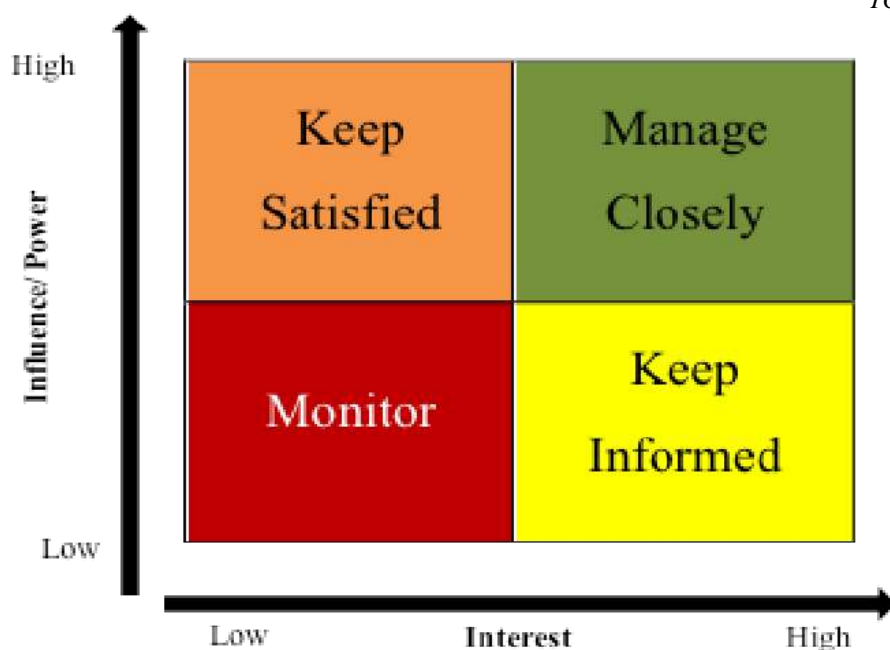


Figure 3: Mendelow's Power/Interest Model

The stakeholder's analysis which indicates power, interest and needs of each stakeholder and the initiatives to be accomplish by TCB to achieve its results are shown in table 4.3.

Table 4: 3 Stakeholders' Analysis Matrix

Stakeholder	Interest	Power	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
Ministry of Agriculture	High	High	<ul style="list-style-type: none"> ☞ Performance reports. ☞ Advice on all matters related to Coffee ☞ Adherence to Coffee Industry Act and Regulations ☞ Increase coffee production and quality ☞ Effective operation of coffee processing Industries ☞ Fair prices to farmers 	<ul style="list-style-type: none"> ☞ Stable and predictable policies. ☞ To provide Resource Support. ☞ Involve stakeholders in policy development. 	<ul style="list-style-type: none"> ☞ Regular dissemination of sector Information. ☞ Align with agricultural sector policy and priorities.
Treasury Registrar	High	High	<ul style="list-style-type: none"> ☞ Effective Implementation of Performance Contract ☞ Performance reports ☞ Financial sustainability ☞ Protection of government investment 	<ul style="list-style-type: none"> ☞ Facilitate acquisition of Capital and approval of relevant policies and incentive schemes 	<ul style="list-style-type: none"> ☞ Regular dissemination of organisational performance reports. ☞ Effective communication

Stakeholder	Interest	Power	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
			☞ Annual budget and plans.		
TCB employees	High	High	<ul style="list-style-type: none"> ☞ Remunerations ☞ Infrastructure and working tools ☞ Effective Information flow ☞ Career development 	<ul style="list-style-type: none"> ☞ Good performance ☞ To observe professional and moral principles. ☞ Portray good organisational image 	<ul style="list-style-type: none"> ☞ Ensure participation in decision-making. ☞ Develop standard operating procedures ☞ Develop incentive scheme ☞ Update the Scheme of Service. ☞ Establish effective performance management system
President Office of Public Service management and Good Governance	High	High	<ul style="list-style-type: none"> ☞ Adherence to Public Service Regulations. ☞ Effectiveness and Efficiency use of Human Resource. ☞ Development of Human Resource. ☞ Develop and Submit Staff's Need for Approval. 	<ul style="list-style-type: none"> ☞ Good and Fair Compensation ☞ Allocation of Enough Human Resources. ☞ Approval of Institutional Human Resource Instruments 	<ul style="list-style-type: none"> ☞ Ensure regular Involvement in Human capacity development programmes
Ministry of Finance and Planning	High	High	<ul style="list-style-type: none"> ☞ Audited financial statement ☞ Annual Budget and Plans ☞ Effective utilisation of resources ☞ Contribute to National development plans ☞ Adherence to National Budgetary guidelines. 	<ul style="list-style-type: none"> ☞ Allocation of Approved Funds 	<ul style="list-style-type: none"> ☞ Develop and submit budget on time ☞ Preparing and Submitting proposals for development funds
Farmers	High	High	<ul style="list-style-type: none"> ☞ Fair Prices. ☞ Prompt Payment. ☞ Accessibility to affordable Inputs and Implements. ☞ Extension Services ☞ Market information ☞ Adherence to Coffee Industry Act and Regulations 	<ul style="list-style-type: none"> ☞ Adoption of improved technologies ☞ Improvement of coffee quality ☞ Adherence to good agricultural practices ☞ Observing entered contracts 	<ul style="list-style-type: none"> ☞ Develop Input Credit Scheme ☞ Dissemination of information frequently ☞ Enhance competitive pricing ☞ Strengthening of Extension services

Stakeholder	Interest	Power	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
Coffee Cooperatives	High	High	<ul style="list-style-type: none"> ☞ Fair Price. ☞ Prompt Payment. ☞ Accessibility to affordable Inputs and Implements. ☞ Extension Services. ☞ Create a platform for Market linkage. ☞ Involvement in Sector Decision Making 	<ul style="list-style-type: none"> ☞ Advocate Good Governance ☞ Prompt Payment to their farmers ☞ Advocate use and adoption of improved technologies. ☞ Increase coffee production and quality 	<ul style="list-style-type: none"> ☞ Support Cooperatives to have their own Strategy on how to Increase Production and improve Quality ☞ Provide Capacity Building trainings
Coffee Estates (Medium/Large)	High	Low	<ul style="list-style-type: none"> ☞ Transparent Market Information ☞ Engagement in Sector Matters ☞ Land for farm expansion ☞ Reasonable land lease period ☞ Timely response ☞ Fair taxes. 	<ul style="list-style-type: none"> ☞ Transparency in their operations ☞ Increase coffee production and quality ☞ Transfer of knowledge to surrounding farmers 	<ul style="list-style-type: none"> ☞ Prepare joint training programs. ☞ Develop a plan to fully utilize all available coffee estates. ☞ Develop out-growers' schemes. ☞ Ensure stable policies. ☞ Advocate for land tenure reforms
Coffee Millers	High	Low	<ul style="list-style-type: none"> ☞ Stable and predictable policies ☞ Involvement in Sector Decision Making ☞ Low Operational Costs ☞ Conducive business Environment 	<ul style="list-style-type: none"> ☞ Transparency and Accountability. ☞ Fair Competition ☞ Full Operational Capacity ☞ Low transaction costs 	<ul style="list-style-type: none"> ☞ Study and Advice on Best Indicative Processing Costs ☞ Advocate for policy formulation.
Coffee Buyers	High	High	<ul style="list-style-type: none"> ☞ Stable and predictable policies ☞ Market Information ☞ Engagement in Sector Decision Making ☞ Improve service delivery ☞ Ensure availability of adequate quality coffee ☞ Lower transaction costs 	<ul style="list-style-type: none"> ☞ Fair Price ☞ Prompt Payment ☞ Adherence to Coffee Industry Act and Regulations ☞ Involvement in sector development activities ☞ Promote Tanzania Coffee as single origin 	<ul style="list-style-type: none"> ☞ Develop Online Marketing Platform ☞ Encourage Public Private Partnership (PPP) in Coffee Investment ☞ Promote Contract Farming ☞ Review Coffee Logistic Costs
Coffee Roasters	High	Low	<ul style="list-style-type: none"> ☞ Market Linkage ☞ Promotional campaigns ☞ Provision of affordable roasting facilities 	<ul style="list-style-type: none"> ☞ Adherence to Coffee Industry Act and Regulations ☞ Increase domestic 	<ul style="list-style-type: none"> ☞ Develop a coffee roaster's forum ☞ Develop a National Coffee Promotion Strategy ☞ Engage SIDO in

Stakeholder	Interest	Power	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
			<ul style="list-style-type: none"> ☞ Accessibility to affordable packaging materials ☞ Capacity building 	<ul style="list-style-type: none"> ☞ consumption ☞ Serve best quality coffee to consumers ☞ Promote Tanzania Coffees 	<ul style="list-style-type: none"> ☞ manufacturing affordable roasting facilities
Research Institutes (TaCRI)	High	Lower	<ul style="list-style-type: none"> ☞ Co-ordinate shared functions ☞ Financial and Resource Support. ☞ Promote Adoption of improved technologies ☞ Involvement in Sector Decision Making 	<ul style="list-style-type: none"> ☞ Improved coffee technologies ☞ Coffee research report ☞ Technical advice ☞ Proper utilization to stakeholder's contributions ☞ Increase production of coffee seeds to meet sectors demand ☞ Speed up seedlings multiplication 	<ul style="list-style-type: none"> ☞ Develop technical working team ☞ Collaborate in seedling production ☞ Promotion campaign in adoption of improved technologies
Input Suppliers	High	Low	<ul style="list-style-type: none"> ☞ Well-established Input scheme ☞ Information on input demands ☞ Protect their contracts entered with farmers 	<ul style="list-style-type: none"> ☞ Accessibility and Reliability of affordable inputs ☞ Training to farmers on proper use of inputs ☞ Technical information 	<ul style="list-style-type: none"> ☞ Develop Input Credit Scheme. ☞ Create DEMO farms for Proper use of inputs
Financial Institutions	High	Low	<ul style="list-style-type: none"> ☞ Well-established Credit scheme system ☞ Information on Credit demands 	<ul style="list-style-type: none"> ☞ Low interest rates facilities to stakeholders ☞ Timely loan issuance ☞ Financial Education to farmers. 	<ul style="list-style-type: none"> ☞ Establish Crop Insurance ☞ Develop Coffee Investment Products ☞ Establish Credit Recovery system
Local Government Authorities	High	High	<ul style="list-style-type: none"> ☞ Technical and Resource support ☞ Increase in coffee production ☞ Collection of District Cess. ☞ Frequent dissemination of information ☞ Involvement in Sector Decision Making 	<ul style="list-style-type: none"> ☞ Provision of Extension services ☞ Allocate 20% of Coffee Cess for Production and Quality ☞ Identify potential areas for coffee cultivations. 	<ul style="list-style-type: none"> ☞ Collaborate in provision of extension services ☞ Advocate for enacting By-laws that ensure coffee quality procedure and GAPs are adhered to ☞ Collaborate in seedling multiplication and distribution

Stakeholder	Interest	Power	Stakeholder's needs	TCB needs	Strategies, Initiatives and Resources
Development Partners/NGOs	High	Low	<ul style="list-style-type: none"> ☞ Proper co-ordination of shared functions. ☞ Dissemination of information frequently ☞ Technical advices ☞ Identification of strategic 	<ul style="list-style-type: none"> ☞ Transparency in their operations ☞ Provide extension services ☞ Contribution to and financing sector priorities 	<ul style="list-style-type: none"> ☞ Establish system of monitoring and evaluation ☞ Encourage Public Private Partnership (PPP) in Coffee Investment
Members of Parliament	High	High	<ul style="list-style-type: none"> ☞ Recognition ☞ Sector information ☞ Fair prices to their voters ☞ Visibility of coffee programmes in Coffee society ☞ Support their constituencies 	<ul style="list-style-type: none"> ☞ Support for Implementing Strategic Activities ☞ Support in allocating resources for coffee development 	<ul style="list-style-type: none"> ☞ Frequent dissemination of information ☞ Guest of honors to events organised in their constituencies
Local coffee Associations	High	Low	<ul style="list-style-type: none"> ☞ Protection of stakeholders' interests ☞ Coordinate Implementations of the shared functions ☞ Involvement in Sector decision-making. 	<ul style="list-style-type: none"> ☞ Strengthen linkage with other stakeholders' ☞ Implementation of the shared functions ☞ Advocate coffee development agendas ☞ Improved business environment 	<ul style="list-style-type: none"> ☞ Strengthen stakeholders' steering committee
Media	Low	High	<ul style="list-style-type: none"> ☞ Provision of information regarding TCB operations. 	<ul style="list-style-type: none"> ☞ Disseminate accurate and timely information 	<ul style="list-style-type: none"> ☞ Develop media coverage mechanism

4.3 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

This section provides a summary of the overall internal and external assessment of TCB. It offers the results of the SWOT analysis and suggests strategic issues that need to be addressed by the revised Strategic Plan. Table 4.4 provides TCB SWOT analysis:

Table 4: 4 SWOT Analysis Results

STRENGTHS AND OPPORTUNITIES	WEAKNESSES AND THREATS
Strengths	Weaknesses
<ul style="list-style-type: none"> ☞ Presence of professional and qualified personnel ☞ Presence of Zone Offices and Branches ☞ Existence of Income Generating Units ☞ Existence of Coffee Industry Act and Regulations ☞ Database for registered coffee growers and dealers. ☞ Presence of formalised coffee marketing system ☞ Existence of Electronic Coffee Auction. ☞ Established marketing relationship with importing countries. ☞ Existence of coffee quality control systems 	<ul style="list-style-type: none"> ☞ Inefficiency market information system ☞ Weak system for co-ordinating stakeholders' shared functions ☞ Shortage of Manpower ☞ Un-clean coffee growers and dealers' database ☞ Inadequate and Unsustainable sources of funds ☞ Governance Challenges ☞ Limited Capacity of Auction Systems ☞ Low Employee Morale ☞ Inadequate Infrastructures in zonal offices ☞ Ineffective Performance Management System ☞ Outdated Operational Manuals ☞ Lack of Proactive Marketing Strategy ☞ Poor Perception of the Organization Image
Opportunities	Threats
<ul style="list-style-type: none"> ☞ Available land for coffee expansion ☞ Coffee is one of the National strategic crops ☞ Existence of Coffee Cooperatives. ☞ Specialised Coffee Research Institute ☞ Potential to increase domestic coffee consumption ☞ Availability of input Suppliers. ☞ Availability of Financial Institutions ☞ High Demand for Tanzania Coffee ☞ Industrialization Agenda of the Government 	<ul style="list-style-type: none"> ☞ Climate change ☞ Unpredictable policies ☞ Coffee Price volatility ☞ Decrease in coffee acreage ☞ Pest and Diseases ☞ Competition with other crops ☞ Reluctance in Technologies Adoption ☞ Low Domestic Coffee Consumption ☞ High Costs of Inputs ☞ Inadequate Extension Services ☞ Absence of Input Credit System ☞ Low Participation of Youth and Women in Coffee Production ☞ Low coffee productivity

4.5 Critical Issues from SWOT Analysis

A review of the SWOT analysis of the TCB has raised critical issues that require interventions as summarised below:

- a) Inadequate infrastructures
- b) Shortage of Staff
- c) Ineffective Performance Management System
- d) Inadequate automation of TCB operations
- e) Unreliable source of funds
- f) Out dated Operational Manuals
- g) Weak co-ordination of shared functions

- h) Low Domestic consumption
 - i) Coffee Price fluctuations
 - j) Limited engagement of Youth and women in Coffee value chain
 - k) Reluctance in adopting improved technologies
 - l) Climate Change
 - m) Low coffee productivity
 - n) Low Staff Morale
-

5 CHAPTER FIVE: THE PLAN

5.1 Vision

"To be an outstanding Coffee Regulatory Institution in Africa"

5.2 Mission

"To Create an Enabling Business Environment for a Sustainable Coffee Industry in Tanzania"

5.3 TCB Motto

Happy Coffee Farmer



5.3 Core Values

Integrity: We are trustworthy and fair in our deeds, adhering to professional and moral principles to ensure desired outcomes for the coffee industry.

Efficiency: We are dedicated towards effective allocation and utilisation of available resources for implementation of organizational vision and mission.

- Transparency:** We have no hidden agenda; we guarantee the availability of adequate information for effective collaboration and cooperation for informed decision making.
- Teamwork:** We seek to understand how we can best support each other and make choices that put the team before the individual.
- Accountability:** We are answerable for our actions and indebted for great outcomes.

5.4 Strategic Themes

One of the characteristics of good strategy is a focus. TCB has chosen three strategic focus area to ensure concentration of efforts and resources for great outcome. Table 5.1 presents TCB strategic focus areas / themes and intended results:

Table 5 1 Strategic Themes and Strategic Results

Strategic Theme	Strategic Results and Rationale	
	Strategic Result	Rationale
Competitive Price	Realisation of fair price through increased coffee quality, certification, value addition, domestic consumption, number of buyers and by establishing price stabilisation mechanisms.	Coffee prices paid to farmers have historically been fluctuating. Subsequently, the industry is seemingly unattractive, and most farmers could be quitting the industry due to low prices. TCB is thus committed to implementing numerous initiatives to spur coffee market competitiveness.
Optimal Production	Coffee production is increased by partnering with key stakeholders to raise productivity through the rehabilitation of unproductive farms, provision of extension services, adoption of improved technologies, ensuring the availability and use of inputs as well as promoting contract farming, multiplication and distribution of coffee seedlings.	Coffee production has stagnated for the past twenty (20) years. This situation threatens the contribution of coffee as a strategic cash crop to the Tanzania economy. TCB intends to employ and implement consented initiatives to increase coffee production from the current average of 50,000 tonnes to 200,000 tonnes during the implementation of this strategic plan.
Enabling Business Environment	To create a conducive business environment through predictable policies, stakeholders' engagement, provision of incentives,	Favourable environment is of paramount importance in the conduct of businesses. Equally, for coffee industry to nourish and prosper, the environment should be enabling and encouraging. It

Strategic Theme	Strategic Results and Rationale	
	Strategic Result	Rationale
	reasonable transactional costs, credit facilitation and up to date regulations.	is against this backdrop, that TCB is committed to creating and sustaining favourable business environment (ease of doing business) in the coffee industry.

5.5 Strategic Objectives

TCB has developed eleven (11) strategic objectives to make strategic themes actionable as presented and described in Table 5.2. these objectives cut across all three chosen perspectives namely Financial, Customer, Internal business process and Learning and growth.

Table 5 .2 Perspectives and Strategic Objectives

Perspective	Strategic Objective		Description and Rationale	
			Description	Rationale
Financial	A	Improve Financial Sustainability	Ensure TCB fulfils its mandates by having enough funds for development expenditure, operation, seedling multiplication, price stabilisation and staff incentives and welfare.	The Board's financial sustainability is subject to variation in coffee production and price volatility. The Board is planning to deploy measures that will ensure diversification of funding mechanism, an increase in productivity and stabilize prices.
	B	Increase Revenue	More funds are collected from Export fee, Coffee Export Services, Roasting Units, Rental Income, Commission, Investment Centre, Grants and Support from development partners.	Implementation and achievement of the Board's Plan requires a steady income flow. Thus, the Board is determined to strengthen and broaden its sources of funds to increase its revenue.
Customer	C	Increase customer base	Attract and retain more Coffee Buyers, processor, Coffee Shop Operators, Coffee Consumers, Smallholder and Large Coffee Producers and increase women andand Youth engagement in the coffee value chain.	Limited number of customers hinders coffee industry development. TCB will improve its service delivery, promotion and campaigning to increase customer base in the value chain.
	D	Improve Organisational Image	We see an increase in Public Trust, Decrease in Complaints, High Ratings from our Stakeholders, Positive Media Coverage, Increase in Corporate Social Responsibility activities and stakeholders understanding of the TCBs' Powers and Functions.	Poor perception of TCB's powers and functions by the stakeholders in supporting their matters and in delivering services affects the organisation's image. TCB will therefore improve its service delivery, visibility and

Perspective	Strategic Objective		Description and Rationale	
			Description	Rationale
				ensure efficient coordination of the shared functions.
Internal Business Processes	E	Strengthen Partnership	We synergize with partners in marketing Tanzania's coffee, promoting contract farming, provision of inputs, credit facilitations, seedling multiplications, provision of extension service, Implementation of Development Projects, and capacity-building to the stakeholders.	Effective co-ordination and partnering in the implementation of the shared functions are expected to accelerate the realization of the intended outcomes for sustainable coffee industry.
	F	Improve Coffee Quality	High percentage of Tanzania Coffee attains Speciality Class and receives Premium Prices through CPU usage, regular quality inspections, proper post-harvest management practices and certification schemes.	Poor quality coffees receive lower prices. For farmers to get better coffee prices Quality improvement programmes are necessary.
	G	Increase Efficiency	We aim at boosting productivity, lowering transaction costs, shortening the cycle time from sampling to coffee release as well as from farm gate to export. We also guarantee timely issuance of license and permits, quick response to stakeholders' concerns, timely payment to farmers and increase share of FoB prices received by farmers.	Inefficiency in the coffee value chain lowers profits and discourages investment. Initiatives that address areas of inefficiency are the key to unlock the potential in the coffee business.
	H	Enhance Business Environment	Conducive and predictable business environments is created through regular consultations with stakeholders and by reducing the number of steps and procedures for coffee exportation to align them with international best practices and win over investors' confidence.	Predictable policy, clear regulations and procedures are the key instruments for creation of investors trust.
Learning and Growth	I	Improve staff capacity	We invest heavily in staff career development for effective succession plan. Deliberate efforts are made to attract and retain skilled and experienced management team and professional staff through provision of extrinsic and intrinsic motivation as well as addressing the National Cross cutting issues.	Technical, Experienced and Motivated Staff are the key players in successful implementation of the organisational plans to attain its vision. TCB is determined to ensure that it acquire and retain qualified staff.
	J	Upgrade infrastructures	Improve infrastructure by building business centres, zone offices and renovating the headquarter office, residential houses and warehouses as well as equipping them with modern facilities, tools, machines, cars, and ICT systems.	For effective execution of the Board's functions adequate infrastructures to facilitate its operations and offering the best services to its customers is of paramount importance.
	K	Strengthening governance	Effective Board of Directors is in place to oversee TCB management and ensure workers' involvement, transparency and accountability through implementation of performance management system, and adherence to	Public sector, good governance and best management practices are fundamental for achievement of the organisation's mission and vision.

Perspective	Strategic Objective	Description and Rationale	
		Description	Rationale
		Coffee Industry Act, Regulations, Circulars and Directives.	

5.6 Performance Measures and Targets

To be in a position to assess process towards achieving the agreed strategic objectives, performance measures and milestones have been agreed. Appendix 2 outlines the key performance measures and targets for each strategic objective that are crucial for effective evaluation and monitoring of the intended strategic results.

5.7 Strategic Initiatives

In order to implement the strategic objectives, it is inevitable to formulate strategic initiatives either as projects or activities to enable the achievement of expected results. Table 5.2 presents strategic initiatives to be undertaken to achieve targets for the respective strategic objectives.

Table 5.3 Strategic Initiatives

Perspective	Strategic Objective	Strategic Initiatives	Responsible
Financial	A Improve Financial Sustainability	Review and enforce Financial Regulations and Accounting Manual by June 2021	DFA
		Establish Price Stabilization Fund by June 2021	DCQP
		Develop Unified Coffee Management Systems (UCMS) by June 2021.	HTU
	B Increase Revenue	Establish Structural Policy for Increasing Revenue by June 2021	DFA
		Develop fundable Project Proposals by June 2022	HPU
		Develop Credit Policy by June 2021	DFA
Customer	C Increase customer base	Develop e-platform for service delivery by June 2021	HTU
		Prepare Coffee Promotion Strategy by June 2021	DCQP
		Develop an online marketing platform by June 2021	HTU
		Prepare Coffee farms Rehabilitation Campaign Programs by June 2021	DCDO
		Establish Land Banks for Coffee Estates by June 2022	DCDO
		Establish Input Credit Scheme by June 2021	DCDO

			Develop programs for multiplication and distribution of seedlings by June 2021	DCDO
	D	Improve Organisational Image	Develop media coverage strategy by June 2021	DCQP
			Prepare consultations and field days programs guideline by June 2021	DCDO
			Develop CSR policy by June 2021	DFA
			Develop Client Service Charter by June 2021	HLU
Internal Business Processes	E	Strengthen Partnership	Review the functions and composition of NCCC by June 2021	DCDO
			Prepare Promotion programs for Contract Farming by June 2021	DCDO
			Create alignment mechanism with coffee stakeholders for effective implementation of shared functions June 2021	DCDO
			Prepare Out-growers' Scheme Guidelines by June 2022	DCDO
			Establish Coffee Development Project Advisory Committee by June 2021	DCDO
	F	Improve Coffee Quality	Develop Quality Sustainability Policy by June 2021	DCQP
			Acquire International Certification for TCB coffee Laboratories by June 2023	DCQP
			Develop high quality coffee for price insurance mechanism by June 2022	DCQP
			Establish Coffee Certification promotion programs by June 2021	DCDO
	G	Increase Efficiency	Develop Management and Information System (MIS) by June 2021	HTU
			Acquire International Organization Certification (ISO 9001 Certification) by June 2023	DCQP
			Develop Standard Operating Procedures by June 2021	DFA
			Develop organization monitoring and Evaluation system by June 2021	HPU
			Conduct Value Chain Analysis by June 2022	DCQP
			Develop a system of promoting coffee by-product by June 2023	DCQP
	H	Enhance Business Environment	Review Coffee Industry Regulations by June 2023	HLU
			Establish One-Stop Coffee Business Service Centre by June 2023	DCQP
			Develop Advocacy Mechanism for	HLU

			Policy Formulation by June 2021	
Learning and Growth	I	Improve staff capacity	Develop Staff Development and Succession plan by June 2021	DFA
			Review Staff Regulation and Scheme of Service by June 2021	DFA
			Develop staff incentive scheme by June 2021	DFA
			Review Staff Training Policy by June 2021	DFA
			Review Staff Appraisal System by June 2021	DFA
			Develop HIV/AIDS and NCCDs Policy by June 2021	DFA
	J	Upgrade Infrastructures	Develop institutional tools, equipment and facilities needs assessment plan by June 2021	HPMU
			Develop ICT policy by June 2021	HTU
			Develop infrastructure renovation and rehabilitation plan by June 2021	HPMU
	K	Strengthening Governance	Develop Performance Management System by June 2021	DFA
			Develop Risk Management Framework by 2021.	DFA
			Develop fraud control framework by June 2021	DFA
			Develop Anti-corruption Policy by June 2021.	DFA
			Develop Organisational Code of Conduct by June 2021	DFA
			Develop Internal Audit Manual by June 2021	CIA

6 CHAPTER SIX: MONITORING AND EVALUATION

6.1 Purpose

Monitoring and Evaluation (M&E) will be conducted during the implementation of the Corporate Strategic Plan monthly, quarterly, semi-annually and annually. Several methods will be developed for the Monitoring and Evaluation of the strategic objectives. These methods form a major part of the reporting systems of the Board including official meetings, Monthly Reports, Semi-Annual Reports, and Annual Reports. There will be weekly meetings for Wildly Important Goal (WIG) of the organization.

6.2 Assumptions, Risks and Mitigation

6.2.1 Assumptions

The underlying are assumptions regarding TCB's success in reaching its objectives articulated in the Strategic Plan:

- 1) Coffee remains a National strategic cash crop.
- 2) TCB continues to exist as an independent organisation.
- 3) There will be an effective Board of Directors.
- 4) Government will offer a Development Fund of at least TZS 3 billion annually.
- 5) Government will issue employment permits to fill staff shortages.
- 6) There will be stable policy and regulations.
- 7) TCB will expand its investment infrastructures in Dar es Salaam and Dodoma.
- 8) Trend of world coffee prices remains stable.
- 9) Factors of production remain the same.
- 10) Self-sustainability of TCB operations continues gradually.
- 11) TCB retains management team, professional, experienced. and motivated staff.

6.2.2 Risks and Mitigation

During the implementation phase, the TCB might face challenges to achieving its strategic objectives. This section looks at the anticipated risks and suggests mitigation measures to ensure effective implementation of the strategic plan. Table 6.1 presents the anticipated risks and mitigation measures:

Table 6. 1 Risks and Mitigation

	Strategic Objective	Risk Description and Category		Risk Mitigation	Risk Owner
		Description	Risk category		
1.	A,B,J,I	Unsustainable source of funds that can lead to inability	Financial	Broaden and strengthen the current own sources of fund.	DFA

	Strategic Objective	Risk Description and Category		Risk Mitigation	Risk Owner
		Description	Risk category		
		in fulfilling organisational mandates.		Establish new sources of fund.	
2.	C,D,E,G	Lack of integrity, inefficiency, transparency, and accountability will lead to loss of trust to stakeholders.	Strategic	Increase stakeholders' engagement	DCDO
				Develop effective performance management system	DFA
3.	B,C,D,G	Decline in coffee production because of climate change, decrease in coffee acreage, emerging of other competitive crops as well as farmers' reluctance in technology adoption	Strategic	Promote use of improved technologies	DCDO
				Establish Land Bank	
				Promote partnership	
4.	B,C,D,F,G	Coffee Price Volatility resulting from inconsistency in quality, few numbers of buyers and over dependence on overseas markets	Market	Develop Price Stabilization Mechanisms	DCQP
				Ensure Consistency in Coffee Quality	
				Develop Promotion Strategy	
				Develop Online market platform	HTU
5.	A,C,D,E,H	Unstable Policies and Regulations create unfavourable business environment for investors	Strategic	Ensure Stable policy	HLU
				Review Coffee Regulations	
				Increase stakeholders' engagement in decision making	DCDO
				Conduct leadership trainings for BoD and Management team	HLU
6.	D,F,G,I	Inability to employ, motivate and retain competent staff due to difficulties in acquiring employment	Operational	Regular review of staff retention policy	DFA
				Develop and Review Staff Manuals (Staff Regulation, Incentive Scheme and Scheme of Service)	

	Strategic Objective	Risk Description and Category		Risk Mitigation	Risk Owner
		Description	Risk category		
		permits, out-dated staff manuals and lack of incentive scheme.		Develop Training and succession program.	
7.	B,C,G,I,J	Failure to improve infrastructures will hinder TCB ability to efficiently offer services to its customers.	Operational	Develop ICT policy	HTU
				Allocate enough fund for Upgrading Infrastructure	DFA

6.3 Monitoring and Evaluation Plans

6.3.1 Monitoring Plan

The Monitoring Plan will track Board's achievements in terms of performance measures and targets set as indicators for the effective implementation of the Strategic Plan as shown in Appendix 2. The plan will also monitor the implementation of the strategic initiatives as Table 5.3 illustrates.

6.3.2 Review Meetings

This involves various meetings that will be conducted to track progress on the initiatives and targets critical in the achievement of the Board's objectives. Table 6.2 shows the detailed planned review meetings:

Table 6. 2 Planned Review Meetings

SN	Type of Meeting	Frequency	Designation of the chairperson	Participants
1.	Board of Directors Meeting	Quarterly	Chairperson of the Board	Board Members
2.	Management Meeting	Monthly	Director General	Directors and Managers
3.	Directorate Meeting	Monthly	Directors	Managers, Heads of Sections and Staff
4.	Workers Council	Semi-annually	Director General	Workers Council Members
5.	Staff Meetings	Semi-annually	Director General	All staff
6.	Budget Committee	Quarterly	Appointed Senior Officer	Nominated Members
7.	Strategic Plan Implementation Committee	Quarterly	Planning Manager	Nominated Members

SN	Type of Meeting	Frequency	Designation of the chairperson	Participants
8.	BoD Committees	Quarterly	Chair of BoD Committee	Committee members

6.3.3 Evaluation Plan

There will be two (2) formal evaluations during the implementation of the strategic plan. The first evaluation will be carried out in the mid-year of strategic implementation whereas the second evaluation will be conducted at the end of the strategy execution period. The evaluations will be tracking progress on the implementation of the targets and the level of achievement made towards organisational goals. The Mid-Term Evaluation Framework will serve as the guiding tool for the implementation of the plan annually.

6.4 Reporting Plan

6.4.1 Internal Reporting Plan

For effective execution of the Strategic Plan, several reports will be prepared and shared internally to track progress and challenges during implementation. The reports will be prepared monthly, quarterly, and annually, or on demand basis as may be required from time to time. Table 6.3 details the Reporting Plan:

Table 6. 3 Internal Reporting Plan

SN	Type of Report	Recipient	Frequency	Responsible Person
1.	Departmental and Units Activity Reports	DG	Monthly	Heads of Department and Units
2.	Performance Reports	DG	Quarterly	Heads of Departments and Units
3.	Internal Audit, Finance and Administration Reports	Board (BoD)	Quarterly	Director of Finance and Administration
4.	Management Audit Committee Report	DG	Quarterly	Chief Internal Auditor
5.	BoD Audit Committee Report	BoD	Quarterly	Chief Internal Auditor
6.	Tender Board Report	DG	Quarterly	Head, PMU
7.	Integrity Committee Report	DG	Quarterly	Chair, Committee
8.	Staff Meeting Reports	DG	Quarterly	HRM
9.	Strategic Plan Implementation Committee Reports	DG	Quarterly	Chair of the Committee
10.	Internal Audit Report	IAG&CAG	Annually	BoD

6.4.2 External Reporting Plan

This plan will involve the preparation of four types of external reports: Performance, Financial, Annual and Outcome. These reports will be submitted to various external stakeholders as indicated in Table 6.4. The reporting plan will be executed in accordance with the statutory requirements or as directed from time to time, as well as in response to the Government performance reporting requirements as stipulated in the Medium-Term Strategic Planning and Budgeting Guidelines.

Table 6. 4 External Reporting Plan

S/ N	Types of Report	Recipient (s)	Frequency	Responsible
1	Performance Report	MoA/MoFP/TR	Annually/Quarterly	DG
2	Financial Statements	CAG	Annually	BoD
3	Annual Reports	MoA/MoFP/TR	Annually	DG
4	5 Years' Outcome Reports	MoA	After every five years	DG
5	Procurement Report	PPRA	Monthly	DG

6.5 Financial Implication

TCB is a Government entity and, therefore, runs its day-to-day operations under public funding. However, the Board has its own sources of funds generated through export fees, coffee export service, roasting unit, rental income, and commissions. The Central Government's support to the Board for the past seven (7) years has on average amounted to 23% and mainly for Personnel Emoluments and Other Charges.

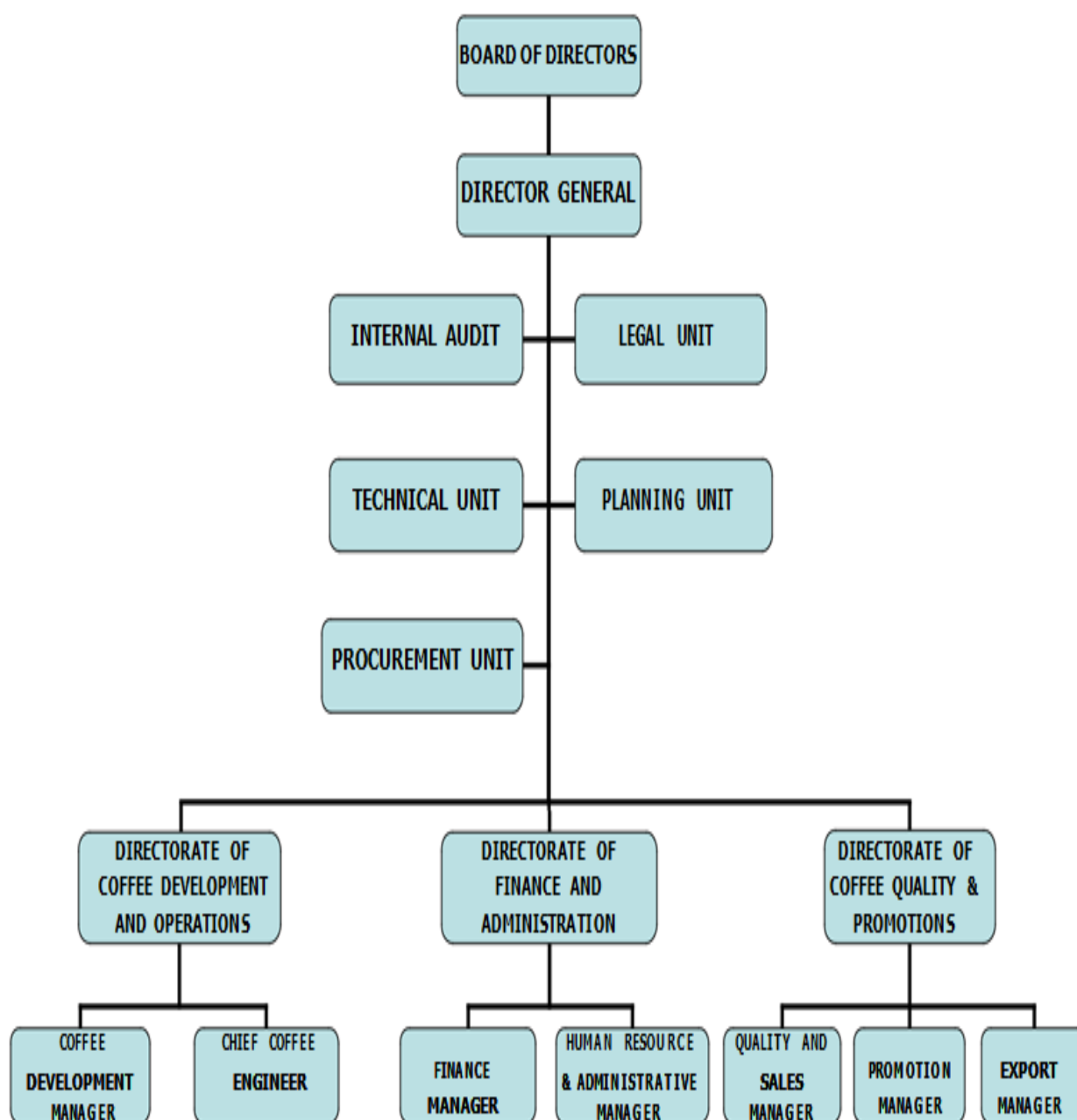
Although financial resources have never been adequate for TCB to operate at its full capacity, the current financial capability is improving. For instance, the annual growth rate of own source fund grew by **9% and contributed to an** overall increase in revenue from **TZS 5.5 billion** in 2017/2018 to **TZS 5.9 billion** in 2018/2019. This indicates TCB's ability to implement the Plan in the next five years.

The total financial requirements for implementation of the Corporate Strategic Plan is estimated at **TZS 90.4 billion**. The detailed financial requirements for all strategic initiative under each strategic objective are presented under Appendix 3. Table 7.1 provides a summary of the financial requirement for each objective:

Table 7. 1 Financial Requirements for Each Strategic Objective

Code	Strategic Objective (s)	Financial Requirements (TZS)
A	Improve Financial Sustainability	2,000,000,000
B	Increase Revenue	2,750,000,000
C	Increase customer base	21,557,000,000
D	Improve Organisational Image	4,400,000,000
E	Strengthen Partnership	5,100,000,000
F	Improve Coffee Quality	10,000,000,000
G	Increase Efficiency	3,300,000,000
H	Enhance Business Environment	1,800,000,000
I	Improve staff capacity	9,100,000,000
J	Upgrade infrastructures	28,000,000,000
K	Strengthening governance	2,400,000,000
TOTAL		90,407,000,000

APPENDIXES 1: TCB ORGANISATION STRUCTURE



APPENDIX 2: STRATEGIC PERFORMANCE MEASURES AND TARGETS

Objective	Measures		Baseline (2018/19)	Targets					Owner
				2020/21	2021/22	2022/23	2023/24	2024/25	
Increase Revenue	Government Subvention (TZS 000'000)	PE	823	1,038	1,130	1,271	1,519	1,670	DFA
		OC	56	60	0	0	0	0	DFA
		DE	0	3,000	3,000	3,000	3,000	3,000	DFA
	Export Fee (Tsh. 000'000)		2,232	2,736	3,517	4,690	5,862	7,816	DFA
	Investment Centre (Tsh. 000'000)		N/A	213	229	245	262	278	DFA
	Coffee Export Services (Tsh, 000'000)		1,709	1,755	2,257	3,009	3,762	5,015	DCQP
	Roasting Units (Tsh, 000'000)		199	250	400	450	500	600	DCQP
	Rental Income (Tsh, 000'000)		194	405	425	440	600	800	DFA
	Price stabilization Income (TZS 000'000)		0	1,000	1,500	2,000	3,000	4,000	DCQP
	Commissions (Tsh, 000'000)		346	356	458	610	762	1,017	DFA
	Grants and Support from DP (Tsh, 000'000)		0	1,000	1,250	1,500	1,750	2,000	DFA
Improve Financial sustainability	% contribution of income from Investment to budget		44	55	56	57	58	60	DFA
	Coffee Development Fund (TZS 000'000)		0	2,751	3,529	4,600	5,743	7,624	DCDO
	Compliance to approved budget (%)		40	70	75	80	90	95	DFA
	Debt to Asset ratio		0.05	0.04	0.03	0.02	0.01	0.009	DFA
Increase Customer Base	Number of effective Large buyers	Auction	4	5	6	7	8	10	DCQP
		DE	4	5	6	7	8	10	DCQP
	No. of active buyers participated per coffee exchange		5	8	12	16	22	30	DCQP
	No. of Coffee shop Operators		90*	100	110	120	130	140	DCQP
	% of Domestic consumption		7	8	10	12	14	15	DCQP

	Production (Tons)	Smallholder Farmers	61,332	62,000	75,000	96,000	120,000	140,000	DCDO
		Estate	6,815	9,000	15,000	24,000	30,000	60,000	DCDO
	No. of Estates supporting out-growers' schemes		N/A	2	8	8	8	8	DCDO
	No. of school farm planted coffee		N/A	10	20	20	20	20	DCDO
	No. of Coffee Estate		101	120	140	160	180	202	DCDO
Improve Organisation Image	% Of registered complaints resolved		10*	60	90	90	90	90	DFA
	Customer survey score (%)		N/A	80	85	90	95	95	DCQP
	Amount Spent on Promotion Materials (Tsh, 000'000)		19	50	50	50	50	50	DCQP
	No. Positive Media coverage		N/A	12	12	12	12	12	DCQP
	No. of field day events organized		0	8	8	8	8	8	DCDO
	No. of Regional Meetings with respective Stakeholders		N/A	16	16	16	16	16	DCDO
	No. of participated fora	Local	4	8	9	9	9	9	DCQP
		international	7	7	7	7	7	7	DCQP
	Amount spent on Corporate Social Responsibility (Tsh 000'000)		N/A	120	150	150	150	200	DFA
Strengthen Partnership	No. of credit input arrangements agreed		4	6	8	10	12	14	DCDO
	No. of credit facilities coordinated for farms development		N/A	5	5	5	5	5	DCDO
	Volume of inputs supplied through Boards coordination (Tons 000)		20	25	30	35	40	50	DCDO
	No. of seedlings produced with partners (000'000)		7.3	20	20	20	20	20	DCDO
	No. of contract farming coordinated and registered		36	50	75	100	100	100	DCDO
	No. of Coffee Projects implemented with Development partners		3	5	6	7	8	10	DCDO
	No. of Trainings to Cooperatives with partners		60	200	200	200	200	200	DCDO
	No. of partners providing Extension Services		4	6	8	10	10	12	DCDO

Improve coffee quality	% of price premium		30	40	40	55	65	70	DCQP
	% of class 1-6 of coffee quality		17	35	45	55	65	75	DCQP
	% of specialty coffee		6	10	14	18	22	25	DCQP
	% of Coffee Certified		8	9	13	17	21	30	DCDO
	No. of Quality Inspections		80	288	288	288	288	288	DCQP
	No. of Inspection to Estate farms		N/A	200	250	300	350	400	DCDO
	% of FoB price received by Farmers		60	62	65	69	73	75	DCQP
Increase Efficiency	Transaction costs (USD) per container shipment		1631	1600	1485	1350	1150	1000	DCQP
	Cycle Time from Sampling to Coffee Release (days)		26	20	15	10	8	8	DCQP
	Time from Farm Gate to Export (Days)		90	84	69	59	51	45	DCQP
	Time taken to effective payment after sales (No. of working days)		7	5	3	3	3	3	DFA
	Rating on accessibility of relevant information (Rating)		3	2	1	1	1	1	DCQP
	Response to stakeholders' inquiries (No. of working hours)		72	12	12	12	12	12	DCQP
	Productivity (clean kg/tree)	Arabica	0.25	0.3	0.5	0.75	0.8	1	DCDO
		Robusta	0.35	0.5	0.75	1.0	1.25	1.5	DCDO
	Issuance of license and permit (No. of working days)		3	3	3	3	3	3	DCDO
	Increase number of coffee by-product		2	3	4	5	5	5	DCQP
Enhance Business Environment	No. of consultations meetings with stakeholders to improve business environment		N/A	4	4	4	4	4	DCDO
	No. of consultations meetings with responsible MDA for improving business environment		N/A	8	8	8	8	8	HLU
	No. of Required Documents for coffee export		48	41	35	28	24	19	DCQP
	No. of Steps to exportations		40	35	32	25	21	18	DCQP
Staff	No. of Staff Attending Short Term		6	30	30	30	30	30	DFA

	Professional Courses							
	No. of Staff Sponsored for Long Term Trainings	N/A	4	4	4	4	4	DFA
	No. of On-Job Trainings Organized	N/A	4	4	4	4	4	DFA
	No. of Certified Professional Staff	4	8	15	17	19	21	DFA
	No. of Staff Attached for Practical Learning	0	2	2	2	2	2	DFA
	Employee Satisfaction Level (%)	N/A	80	85	90	95	95	DFA
	Manning level as per establishment (%)	64	70	75	80	90	100	DFA
	No. HIV trainings	0	2	2	2	2	2	DFA
	Employee turnover rate (%)	10%	7	5	4	4	4	DFA
	No. of Gender Trainings	N/A	2	2	2	2	2	DFA
	No. of Anti-corruption Trainings	N/A	2	2	2	2	2	DFA
	Staff weighted performance score (1-5)	N/A	2.5	2.4	2.3	2.2	2	DFA
	Number of staff welfare package	4	4	5	7	8	10	DFA
	No. of Staff Recruited	6	21	5	5	5	0	DFA
Upgrade infrastructures	Budget on Tools and Facilities (TZS 000'000)	20	5,000	5,000	5,000	5,000	5,000	DFA
	% Completion of Dar es Salaam Investment Centre	N/A	20	50	70	90	100	DFA
	% Completion of Three Zonal Buildings	N/A	20	50	70	90	100	DFA
	% Completion of Dodoma Investment Centre	N/A	20	50	70	90	100	DFA
	% Completion of Five Coffee Shops	N/A	20	50	70	90	100	DCQP
	% Integrated Management Information Systems Built	N/A	2	1	1	1	1	HTU
	Ratio of Staff to Computer	0.5:1	0.7:1	0.8:1	0.8:1	0.8:1	0.8:1	HTU
	No. of Workers council meetings	0	3	3	3	3	3	DFA
	% of Compliance to procurement standards	94	95	96	97	98	99	HPU
	BoD evaluation performance score (%)	60	80	86	90	92	96	DG



APPENDIXES 3: FINANCIAL REQUIREMENTS PER STRATEGIC INITIATIVES

Strategic Objectives	Strategy	Strategic Initiatives	TZS
Improve Financial Sustainability	Improve financial management practices	Review and enforce Financial Regulations and Accounting Manual by June 2021	300,000,000
		Establish Price stabilization Fund by June 2021	1,000,000,000
		Develop and Implement Unified Coffee Management Systems (UCMS) by June 2021.	700,000,000
Sub Total 1 (SoB A)			2,000,000,000
Increase Revenue	Improve financial resource mobilisation mechanism	Establish Structural policy for Increasing Revenue by June 2021	100,000,000
		Develop fundable Project Proposals by June 2022	1,650,000,000
	Strengthen debt collection system	Develop Credit Policy by June 2021	1,000,000,000
Sub Total 2 (SoB B)			2,750,000,000
Increase customer base	Expand accessibility and reach of services	Develop e-platform for service delivery by June 2021	250,000,000
	Develop Marketing Strategy	Prepare Coffee Promotion programs by June 2021	2,500,000,000
		Develop online marketing platform by June 2021	200,000,000
	Develop Production Strategy	Prepare Coffee farms Rehabilitation Campaign Programs by June 2021	6,000,000,000
		Establish Land Banks for Coffee Estates by June 2022	1,000,000,000
		Establish Input Credit Scheme by June 2021	2,000,000,000
		Develop program for multiplication and distribution of seedlings by June 2021	9,607,000,000
Sub Total 3 (SoB C)			21,557,000,000
Improve Organization Image	Improve awareness on TCB Mandates	Develop media coverage strategy by June 2021	300,000,000
		Prepare consultations and field days programs guideline by June 2021	1,700,000,000
		Develop CSR policy by June 2021	2,000,000,000
	Improve service delivery systems	Develop Client Service Charter by June 2021	400,000,000
Sub Total 4 (SoB D)			4,400,000,000
Strengthen Partnership	Improve coordination of shared functions	Review the functions and composition of NCCC by June 2021	200,000,000
		Prepare Promotion programs for Contract Farming by June 2021	600,000,000
		Create alignment mechanism with coffee cooperatives for effective implementation of shared functions June 2021	2,500,000,000
		Prepare Out-growers Scheme guideline by June 2022	1,000,000,000
	Ensure effective implementation of coffee development	Establish Coffee Development Project Advisory Committee by June 2021	800,000,000

	projects		
Sub Total 5 (SoB E)			5,100,000,000
Improve Coffee Quality	Ensure sustainable coffee quality	Develop Quality Sustainability Policy by June 2021	4,000,000,000
		Acquire International Certification for TCB coffee Laboratories by June 2023	500,000,000
		Develop quality for price insurance mechanism by June 2022	3,000,000,000
		Establish Coffee Certification promotion programs by June 2021	2,500,000,000
Sub Total 5 (SoB E)			10,000,000,000
Increase Efficiency	Strengthen Institutional Processes	Develop Management and Information System (MIS) by June 2021	400,000,000
		Acquire International Organization Certification (ISO 9001 Certification) by June 2023	500,000,000
		Develop Standard Operating Procedures by June 2021	400,000,000
	Strengthen M&E System	Develop organisational Monitoring and Evaluation System by June 2021	1,000,000,000
	Improve effectiveness in coffee value chain	Conduct Value Chain Analysis by June 2021	500,000,000
		Develop a system of promoting coffee by-product by June 2023	500,000,000
Sub Total 7 (SoB F)			3,300,000,000
Enhance Business Environment	Ensure Conductive Business Environment	Review Coffee Industry Regulations by June 2023	300,000,000
		Establish One-Stop Coffee Business Service Centre by June 2023	1,000,000,000
	Enhance Stakeholders Engagement	Develop and operationalize Advocacy Mechanism for Policy Formulation by June 2021	500,000,000
Sub Total 8 (SoB G)			1,800,000,000
Improve staff capacity	Improve working environment and staff compensation arrangements	Develop Staff Development and Succession plan by June 2021	500,000,000
		Review Staff Regulation and Scheme of Service by June 2021	600,000,000
		Develop staff incentive scheme by June 2021	5,000,000,000
	Improve Human Resources Management	Review staff training program by June 2021	2,000,000,000
		Review Staff Appraisal System by June 2021	200,000,000
	Strengthen prevention, care, and supportive services for HIV and NCCDs to staff.	Develop and enforce HIV and NCCDs Policy by June	800,000,000
Sub Total 9 (SoB H)			9,100,000,000
Upgrade Infrastructures	Strengthen institution and equipment facilities	Develop institution tools, equipment's and facilities need assessment plan by June 2021	5,000,000,000
	Improve Service delivery	Develop ICT policy by June 2021	1,000,000,000
		Develop infrastructure renovation and rehabilitation plan by June 2021	22,000,000,000
Sub Total 10 (SoB J)			28,000,000,000
Strengthening Governance	Strengthen Performance management systems	Develop Performance Management System by June 2021	400,000,000
	Ensure Implementation of	Develop Risk Management Framework by June 2021.	500,000,000

	Risks Management Mechanisms		
	Improve Organization Integrity	Develop Fraud control framework program by June 2021	500,000,000
		Develop Organizational Code of Conduct by June 2021	200,000,000
		Develop anti-corruption policy by June 2021	300,000,000
		Develop Internal Audit Manual by June 2021	500,000,000
Sub Total 11 (SoB K)			2,400,000,000
MAIN TOTAL			90,407,000,000



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