



Annual report 2022

Happy Coffee Farmer





TCB VISION

“To be an Outstanding Coffee Regulatory Institution in Africa”

TCB MISSION

“To create an Enabling Business Environment for a sustainable Coffee Industry in Tanzania”

TCB CORE VALUES

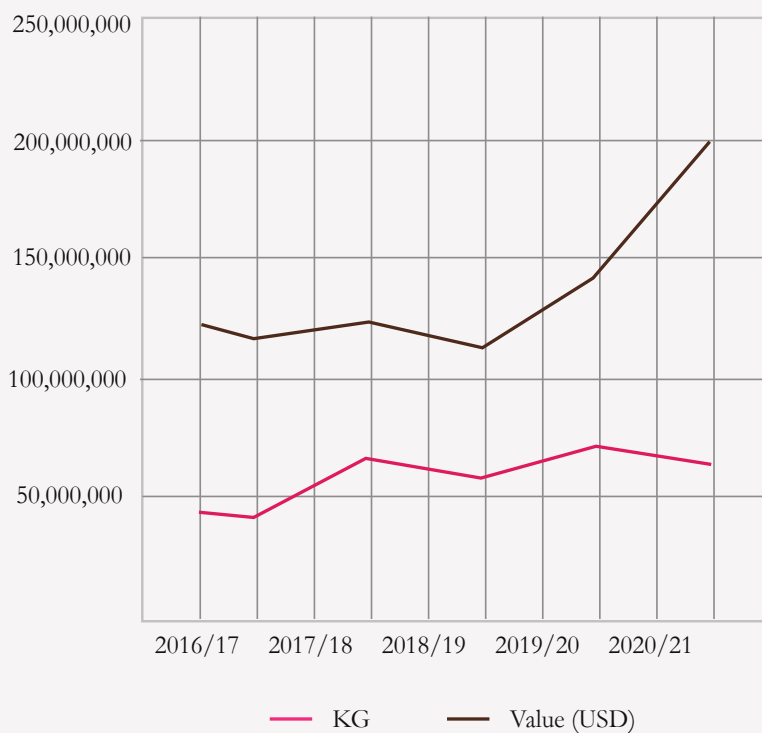
- ▶ **Integrity;** We are a trustworthy and fair in our deeds, adherent to professional and moral principles to ensure desired outcomes for Tanzania coffee industry
- ▶ **Efficiency;** We are dedicated towards effective allocation and utilization of available resources for the implementation of our organizational vision and mission
- ▶ **Transparency;** we have no hidden agenda, we guarantee availability of adequate information for effective collaboration
- ▶ **Team Work;** We seek to understand how we can best support each other and (together) make choices that put the team before the individual
- ▶ **Accountability;** We are answerable for our actions and indebted for great outcomes

OUR MOTTO

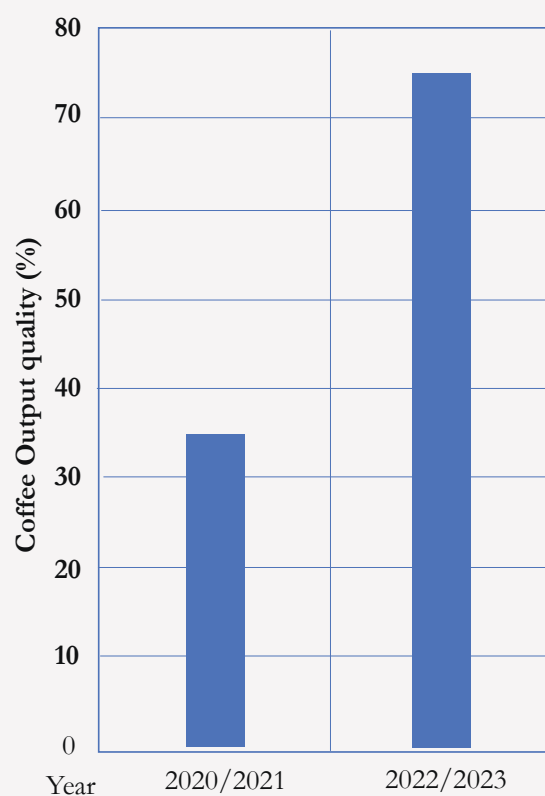
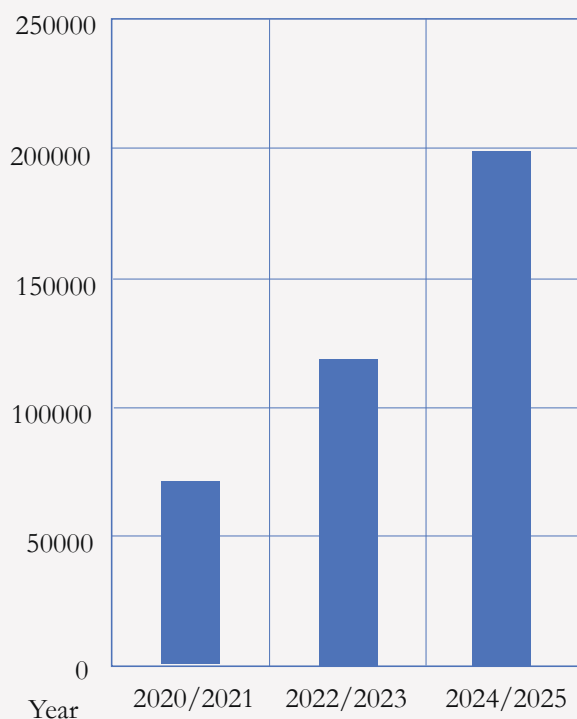
“Happy Coffee Farmer”

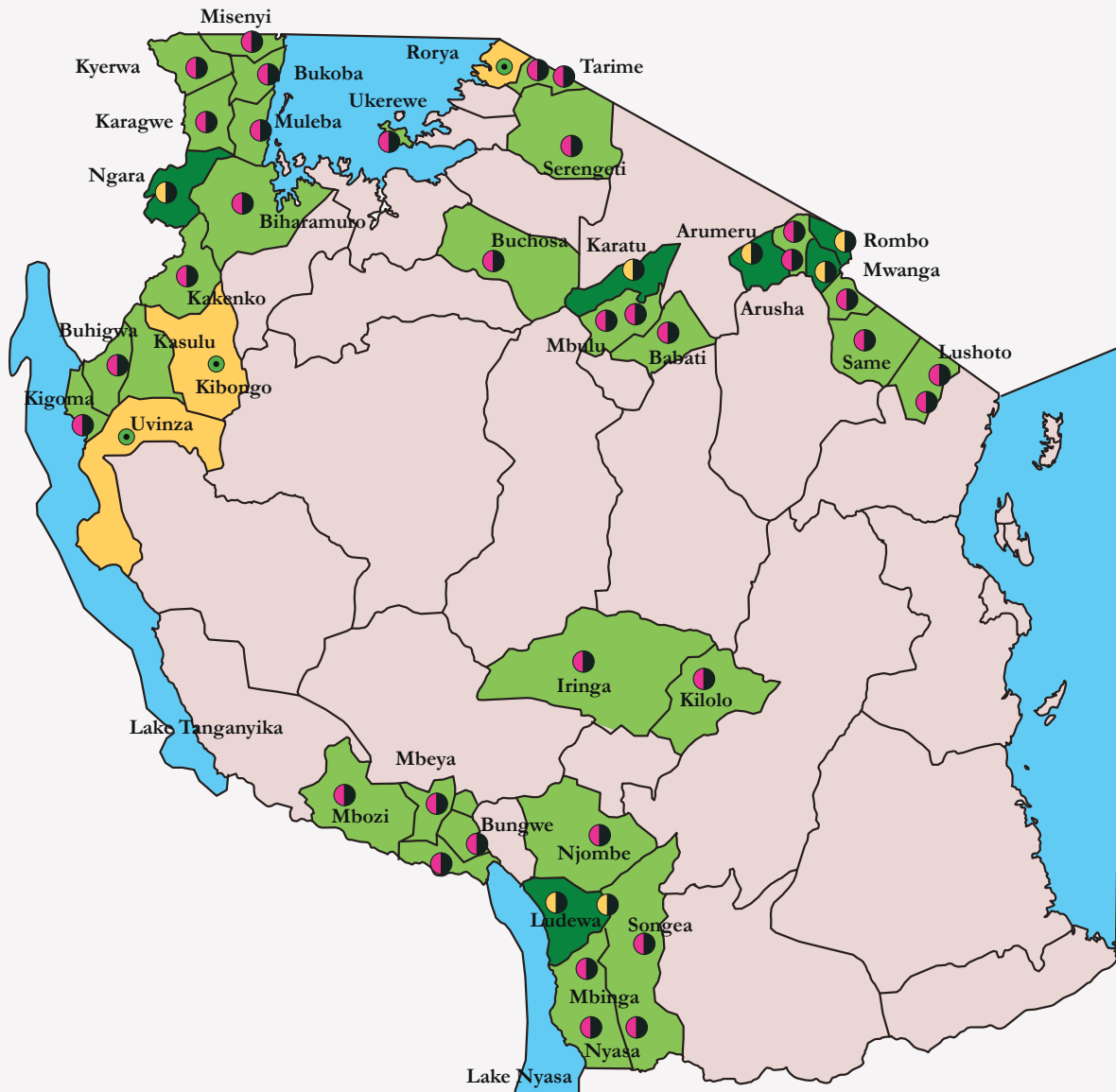


COFFEE SALES AND VALUE FOR THE PAST FIVE YEARS



Production (Tones)





KEY:

- Legend:

 - Currently coffee Growing districts/areas
 - Currently coffee Growing districts/areas with potential areas for expansion of production
 - New potential districts with Coffee production
 - Tanzania Regions
 - Lake/Ocean
 - Currently coffee Growing areas
 - Coffee Growing areas with potential areas for expansion of production
 - New potential districts with Coffee production



Letter of Transmittal

Hon Hussen Bashe M.P

Ministry for Agriculture,
P. O. Box 2182
Dodoma



Hon Hussen Bashe M.P
Ministry for Agriculture

Honourable Minister,

In accordance with section 34 – (1) of the Coffee Industry Act No. 23 of 2001, I hereby submit the Audited Accounts and Annual Report for the Coffee Board of Tanzania for the year ended 30th June 2022.

Yours Sincerely

Professor Aurelia K. N. Kamuzora

Chairperson of the TCB Board of Directors

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TANZANIA COFFEE FACTS

Tanzania coffee is one of the world's finest contributing close to 1.00% of the global output. Currently the country produces upwards of 1,000,000 bags every year, more than 90% of which, is from land units of 0.5 to 3 hectares /ha of small farmers. The rest is estate production. Mild Arabica coffee is mainly grown on the fertile volcanic soils of Mount Kilimanjaro (the world's tallest free standing mountain) and on the lush fertile southern highlands of Iringa, Mbeya and Ruvuma.

Robusta Coffee is grown mainly in Kagera region to the north west of Tanzania on the shores of Lake Victoria the largest fresh water lake in the southern hemisphere.

Arabica coffee

Arabica coffee was introduced to Tanzania by French Jesuit missionaries from Bourbon Parish in the Re-Union Islands via Kilwa, one of the country's oldest ports. It was grown successfully for the 1st time in East Africa at Kilema Parish on the slopes of Mount Kilimanjaro at the end of the 1880's after the first attempt failed at Matombo in Morogoro. Cultivation spread to nearly all the border regions of Tanzania including crossing to Kenya where it was grown first time at St Augustine Parish in Nyeri.

Robusta Coffee

The bushy tree of the Haya tribal chiefs in Bukoba was brought to Kagera from the Congo forests in the 17th' century by returning warlords from the Congo Brazzaville and the Gabon(Belgian Congo)

It was first grown as "a symbol of power - Omuti Gwo Mukama" – Tree of the Chief. Its beans formed the kernel of traditional rites as potions to warriors and glue to lasting friendships. Though the passing of the chieftaincies at independence in 1961 ended the tradition, the coffee bean is still boiled with grass and chewed in a mixture of a status quo practice of relish.

The two coffee types were commercialized at the beginning of the 20'th century and became source of cash income and employment. As a result, details of husbandry and

marketing assumed special importance as did, promotion, intently to maximize returns.

The lucrative business soon fell into the hands of unscrupulous traders, prompting the German colonial government to enact laws in 1925 to protect interests of the small farmers. Almost simultaneously coffee farmers in Kilimanjaro formed their coffee cooperative (the first in Africa) which later in the 1950s became the first Coffee Board of Tanzania (Kilimanjaro Native Coffee Board)

Robusta coffee has leapt (from a tribal ritual item), to the heights of socio-economic and political profile, as a significant national income generator, and now tops the list of the world's Natural Robusta quality, a milestone achievement.

It has therefore joined the country's mild coffees (in prominence) confirming Tanzania as a credible supplier of some of the world's best coffees. In the last few years the world coffee exports has generated over US\$ 14 billion annually for producer countries, with well above 600 billion cups of coffee consumed worldwide every year.



Historic Route of French coffee mission in Africa



From the Chairperson

Hello Coffee Stakeholder!

This is TCB's fifth annual report, with information on key developments on the coffee industry, at home and worldwide, fortunately published at a time when coffee stakeholders have just started implementing the 2nd Strategic plan (2021- 2025) developed after the review of the 1st (10 years) strategic plan, hence, increasing our awareness of our country's coffee potential, challenges and providing enlightenment on the way forward.

Through the review of the 1st strategy, we noticed with a good degree of satisfaction some encouraging achievements which were possible, only through our collaborative action following consensus on hitherto, difficult issues often in the past ending in stalemate. It also provided us with the opportunity of the humility of assuming full responsibility for our decisions which fell short of achieving our ambitions, and more so, the opportunity of learning from our mistakes and courage from the achievements which now fathomed our new outlook and approach.

With such rich experience, we can only march forward with greater fortitude and zeal towards our cherished long-term ambition of transforming Tanzania coffee into a sustainable profitable business.

The scope of our strategic approach has not changed though, only that we have re-casted the implementing objectives with increased focus and resolve.

The strategic plan provides strategic directions in the next five years and is in line with the National political and socio-economic agenda outlined in the Vision 2025, Five Years Development Plan (FYDP) of our country's ruling party 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 and takes into account the Government directives for TCB to focus on;



- Raising productivity and production as well as coffee quality,
- Enhancing proper management of coffee processing industries,
- Improving coffee business environment, and marketing systems.

Those three areas of focus are sufficiently reflected in the plan as stipulated and I, and my Board, we are committed to supporting the TCB Management and, wherever applicable, all the industry stakeholders to ensure efficient implementation.

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 and on behalf of TCB Board Directors, commend the Management team and the entire staff under the very able leadership of our Director General for their continued great effort in implementing and reviewing the first strategy and in developing our 2ndCSP. I appeal to youall to exert yourselves in order to ensure that TCB becomes **“an outstanding Coffee Regulatory Institution in Africa”**.

Importantly as well, my special commendation to all coffee stakeholders in Tanzania and beyond for the good progress we are already experiencing in the

industry which would not have been possible outside our collaborative work.

We are all aware of the reality that, the higher the price our coffee fetch, the higher its remunerating power to every one of us and I am of a humble opinion that we maintain that mantra of **“A happy coffee farmer”** by keeping alive our spirit of working together.

I appeal to the TCB management, the entire staff and all stakeholders in Tanzania and beyond to maintain the spirit of collaboration and feel proud to be part of the successful implementation of our current five-year plan and beyond.

Professor Aurelia K. N. Kamuzora

TCB Board of Directors Chairperson July 2022

Board of Directors



Prof. Aurelia K.N. Kamuzora
Board Chairperson



Mr. Edson M. Rugaimukamu
Member Representative Western Zone



Mr. Shedrack A. Issangya
Member Representative Northern Zone



Mr. Gotham Filipo Haule
Member Representative Southern Zone



Mr. Tinson Nzunda
Member Representative Tanzania Coffee Association - TCA



Mr. Neel Vohora
Member Representative Tanzania Coffee Growers Association - TCGA



Ms. Nangula H. Mwampamba
Member who possesses knowledge and Experience in Coffee Industry



Mr. Bahati Ludhabihho Mlwilo
Member who Possesses Knowledge and Experience in the Coffee Industry



Mr. Chimagu E. Nyasebwa
Representative From Government/Ministry of Agriculture.



Mr. Primus Kimaryo
Director General & Secretary



From the Director General

I have the honour to welcome you to our 2021/2022 TCB annual report, coming in the wake of the formulation of our 2nd Corporate Strategic Plan (CSP) - 2020/21-2024/25. The fifth edition in the series of our annual report publications, production of this report is of special significance.

It comes as TCB and other industry stakeholders have just concluded the review of the 1st CSP and successfully developed the 2nd CSP. The review provides ample information on where, why and what went wrong in our approach to the implementation of the 1st CSP, how far we have come, how better to move forward in our current circumstances, what to be avoided/omitted and or what to be included in the process of implementing the 2nd CSP and, Secondly, it coincides with the 1st year of implementing our 2nd CSP

Upward Trajectory

Review of the 2011 – 2021 CSP (developed and implemented jointly by industry stakeholders) and effectively coordinated by TCB in the spirit of **‘shared functions’ under the Private Public Partnership PPP’s**, not only laid bare weaknesses, threats and enemies which undermined our joint resolve to transforming our coffee into a rewarding business, but also exposed massive power in our collaborative work in effectively and productively performing our shared roles.

Clearly, the 2011 - 2021 CSP did not reach the overall ambition of 100,000 tons a year, but it did propel a rise in annual national average to 65,000 tons in five years. Previously our average annual output stalled at 50,000 tons or less in close to four decades.

That is not, by any standards, mean achievement, especially when considered along the vagaries of persistent harsh weather over the period which seemed destined to significantly reduce if not to decimate the crop altogether.

Our endeavors managed to put brakes on the decline and overcame then ruling stagnation by surging output to a new height of 65,000 tons. The reality not only gives solace but also provide opportunity to take a leaf from a Chinese Philosopher’s note of enlightenment ... **“The journey of a thousand miles begins with a single step”**.



Positive developments, possible through enhanced Sector Stakeholder’s collaboration throughout the last decade are signs of wide opening doors for a sustainable upward trajectory in Tanzania’s coffee industry.

Institutional and Industry Milestones in the Last 10 years

TCB has gradually succeeded in sustainably coordinating collaboration and consensus among stakeholders on key industry development aspects necessary for hastening growth in the industry.

- Coordinated annual and biannual stakeholders’ meetings at zonal and national levels
- Coordinated contribution of funds for coffee research from stakeholders.
- Coordinated provision of extension services in collaboration with Local Government Authorities (LGAs),
- Monitored & coordinated availability of inputs with financial institutions and co-operatives.
- Successfully registered 286,171 coffee farmers throughout the country,
- Coordinated the publication of the Tanzania National Coffee Sustainability Extension Training Manual of which second edition is due for launching at the next stakeholders meeting in June next year 2023. The



manual is instrumental in strengthening delivery of extension services resulting in increased output and quality of Tanzania coffee and increased income to farmers for their better livelihoods.

- Over the period TCB also managed to register 152 contract farming agreements as well as issued Licenses and permits,
- Promoted and enhanced awareness of coffee regulation among stakeholders,

Given this massive job, well done, I sincerely thank God for the opportunity and for His blessings which has made all that possible.

I frankly thank the TCB Chairperson and the Board of Directors for their unwavering support, commitment and readiness in providing the requisite guidance to the management towards the right direction.

Likewise, I recognize and strongly commend the TCB Management for their immense sacrifice in making sure that TCB effectively maintained track on its regulatory, advisory, promotional and coordination of all key players in the industry.

To the entire team of the TCB staff wherever you are, I am honestly very thankful for your enormous support which has been fundamental in achieving these milestones. You are the ones on the ground doing the spade work without which we would have not moved an inch forward. Again, to you, I say thank you very much and please keep up the spirit of working harder so that we can surge to new heights.

I say thank you many times for your enduring hard work which has always been the solid foundation on which the success of the TCB Board of Directors and the management is premised. To all coffee stakeholders and in no less measure, our esteemed and beloved farmers, I frankly thank you for always embracing consensus whenever we faced difficult issues which might have otherwise attracted un-beneficial stalemates.

We have already made a huge leap in propelling our coffee industry forward, especially with particular reference to the review of the 2011 - 2020 CSP and the eventual formulation of the 2nd 2021 – 2022 CSP through which all of us may bravely and confidently carry on with our privileged roles of spearheading a lasting revolution in our coffee industry.

The Government, through the Ministry of Agriculture deserves special commendation for playing its role extraordinarily well through the introduction of a string of measures geared at motivating the coffee farmer by improving the remunerative power of their crop. Among daring moves by the government are,

- Inclusion of coffee in the class of our nation's Strategic Crops meaning that Coffee is now meriting the long overdue special attention it deserves,
- Making a special sacrifice by abolishing 17 coffee taxes (otherwise big source of government revenue through taxation), but which had also been draining a sizeable amount of the coffee farmer's income,
- During the 2018- 2019season the Board, as directed by the government, successfully decentralized the coffee auction into coffee producing zones. Previously the auction was held only in every Thursday,
- From the same season, a government directive confined the buying of coffee from farmers to Cooperatives to protect farmers from cheating by unfaithful unscrupulous buyers.
- As we shall see through my main report, together we can humbly afford to admit that we have tried to play our parts well.

I urge every one of us that there be no letting up until we arrive at our preferred destination through the path of our joint choice.

At this critical point in the history of our coffee industry, be it worth to evoke the wise words of William Shakespeare – **“There is a tide in the affairs of men, which, taken at the float, leads on to fortune, omitted, all their life is bound in shallows and in miseries. In this full see are we now afloat? We must take the tide when it serves or else, we lose all the voyage of our life”.**

We can only afford to move forward, never ever back?
It can be done, let everyone of us play his/her part effectively.

Mr. Primus Kimaryo

Director General & Secretary



TCB Management 2022



Mr. Primus Kimaryo
Director General & Secretary



Ms. Engerasia A. Mongi
Head of Legal Unit



Mr. Solis W. Kapinga
Head of Procurment Unit



Mr. Kajiru F. Kisenge
Director of Coffee Development and Operation



Mr. Peter J. Mollel
Director Finance and Administrations



Mr. Frank Nyarusi
Ag Director Coffee, Quality and Promotions



Mr. Mosses Simwinga
Human Resources & Administration Manager

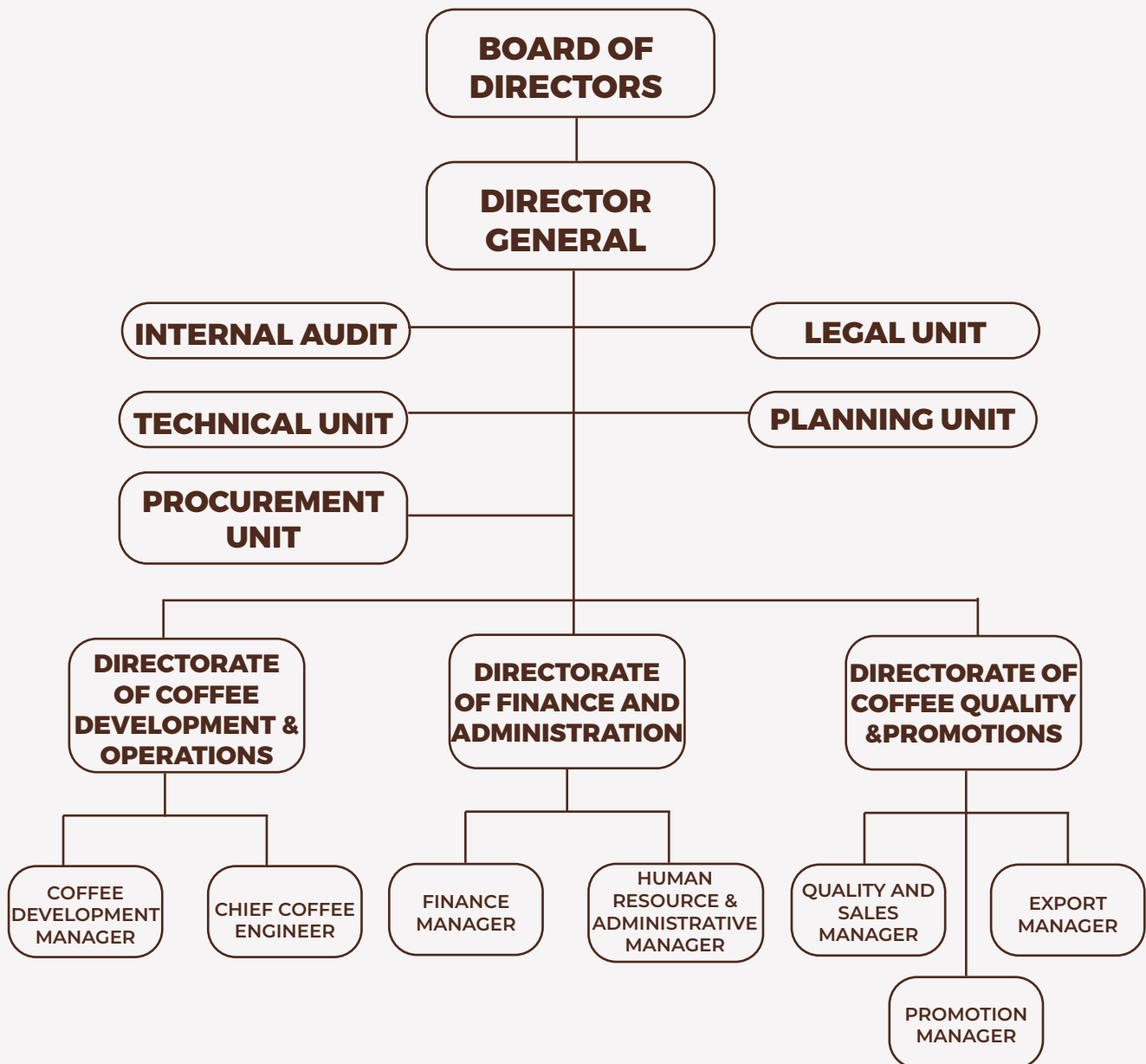


Ms. Diana Fatu Kubonye
Export Manager Dar es Salaam Branch



Mr. Elly Mbilinyi
Exports Manager Tanga Branch

Organization Structure



TCB ESTABLISHMENT

The **Tanzania Coffee Board (TCB)** is a lead government institution established by parliamentary Coffee Industry Act no.23 of 2001 which gave the Board legal mandate to perform, among others the roles of advising the government on matters pertaining to the development of the coffee industry, Supervising and regulating stakeholders and promoting the Tanzania coffee industry locally and internationally.

In 2009 the Government introduced Crops Boards reforms in accordance with the coffee industry Act of the Parliament of 2003 which, recognizing the broad nature of the coffee sector challenges and the limitations of TCB as a regulatory institution in a liberalized trade environment and with extensive, but also varied multi-stakeholder interests, opened the industry to Public Private Stakeholders Partnership (PPPs) and added to its legal mandate the role of coordinating industry stakeholders to facilitate implementation of shared functions.



Director General's Report



Introduction

The Tanzania Coffee Board - TCB was formed in reforms introduced by the Government in 1993, succeeding Tanzania Coffee Marketing Board (TCMB). The change exempted TCB from the business of marketing coffee.

In 2001 the government again, pushed reforms through Parliamentary Coffee Industry Act no 23 limiting further TCB's mandate to Policy, Regulatory, Promotional and Coordination roles.

Aware of the country's massive wealth of unutilized land favourable for the production of more coffee, supported by the existence of untapped lucrative market abroad and re-enforced by its longstanding desire to transform the coffee industry into a sustainable and profitable business, the Government, in 2009, introduced the Crops Boards reforms which identified "shared functions" and empowered TCB to coordinate its operationalization.

The policy changes have exposed Tanzania's coffee landscape to massive transformations giving the country the clout to become a giant coffee producer in the Africa continent.

The immediate yield of the policy shift (which, mainly targeted the removal of bottlenecks related to the varied coffee industry stakeholder interests), has been,

increased stakeholder's collaboration, formulation and implementation of the 1st TCB's 2011/2020 CSP, its review & eventual development of the 2nd CSP 2021 - 2024/2025, the implementation of which is now underway.

Achievements & Constraints 2013 - 2021

After a decade in operation, the reforms look to have lubricated TCB's performance of the roles in its legal mandate namely; Supervisory, Regulatory, Promotional and Coordination of shared functions,

Notable positive impacts of the reforms;

- **Improved TCB coordination** of key players in the coffee sector which enhanced the status of "shared functions" and the effectiveness of the coffee stakeholders' collaboration,
- **Formation & consolidation of coffee sector platform;** TCB organized and coordinated 25 annual stakeholders meetings,
- **Facilitated collaboration with LGA's** in coordinating extension services, improving the dynamics of collective engagement among key industry stakeholders,
- **Conducted HIV/AIDS trainings,** testing and provided nutritional support infected staff,
- **Successfully reviewed the 1st, CSP (2013 – 2020) and development of the 2nd' 2020/2021 – 2024/2025) CSP,** with a more enlightened Strategic approach,
- **Coordinated contribution of funds** from coffee stakeholders for supporting coffee research activity,
- **Increased support – (subsidization of research) innovative engagement by our coffee research** (such as) new disease, draught resistant and high yielding coffee hybrids as well as their multiplication and free distribution to farmers. This has enhanced the pace of replanting, infilling and for expansion in the new coffee potential areas,
- **Renovated its six buildings and & other infrastructure** and continued the construction of its new building in Dodoma



- **Coordinated availability of the right inputs** in collaboration with the coffee cooperatives and financial institutions,
- Stakeholders' **awareness** of the **coffee regulation** improved,
- Registered **286,171** coffee farmers and **152** contract coffee farming agreements countrywide,
- **Increased operational efficiency through acquisition of modern technology** viz.; roasting and packing facilities, institution of an electronic auction system that has increased market transparency and competitive prices to coffee farmers and also resulted into ICT certification of TCB laboratory,

In 2018 the Government introduced further reforms which embraced improvement of the coffee business environment. The reforms included;

- Placed coffee in the list of nation's priority strategic crops, thus meriting more of its direct attention including especially financial support,
- Issued a directive which confined the buying of small farmers' coffee to Cooperatives and AMCO S to protect farmers from cheating by unfaithful unscrupulous buyers.
- Abolished 17 taxes in the industry (denying itself substantial revenue through taxation)
- Under its direction, TCB decentralized the coffee auction into coffee producing zones. Previously, coffee was sold only in Moshi in weekly auctions every Thursday. Currently coffee auctions are held as follows;
 - Moshi zone: Arusha, Manyara, Kilimanjaro, Tanga and Morogoro,
 - Mbozi zone: Mbeya, Katavi and Songwe
 - Bukoba zone: Kagera, Mara, Kigoma and Mwanza
 - Mbinga zone: Iringa, Njombe and Ruvuma

The impact of the decentralization of coffee auctions which are now held online has been massive, some of its visible yields being reduced operational costs, meaning more income to coffee farmers, and increased number of coffee buyers.

Potency and Operational Efficiency of TCB

To improve and secure the potency and effectiveness of its operational efficiency, on which hinge the ultimate success of the strategy, TCB carried out an analysis of 11 key areas impacting its operations;

- **Legal and Policy Framework** Its autonomy and legal mandate notwithstanding, TCB is occasionally faced with interferences to its operational mandate from other institutions and therefore conscious of the need to persist efforts to align such laws and policies with the Coffee Industry Act and regulations for smooth development of the coffee industry,
- **Linkages with Stakeholders** Effective interaction with stakeholders is fundamental for successful manipulation of the value chain, especially production and quality controls. In this regard TCB maintains well staffed zonal offices with laboratories for quality control in four regions namely;
 - i) Mbinga– serving Ruvuma, Njombe and Iringa
 - ii) Mbeya – Mbeya, Songwe, Katavi, Rukwa,
 - iii) Bukoba – Kagera, Kigoma, Geita and Mara,
 - iv) Moshi – Kilimanjaro, Arusha, Manyara and Tanga.

The Moshi (five storey building) also housing TCB headquarters and an 8,576 square metres Warehouse in Tanga with storing (at once) 36,000 tons of coffee destined for the exports market are owned by TCB.

The buildings in the other three regions and the Dar es Salaam branch warehouse are rented, hiking operational costs, a homework for TCB to construct own buildings, upgrade its infrastructure, acquire tools and provide conducive working environment for its workers to increase operational efficiency.

- **Operational and Management Efficiency** Although currently TCB has good number of staff with high academic and professional competence (one PhD, respectively 13 and 18 Master's & Bachelor degrees, one Postgraduate degree and 10 – Diploma holders), at 63 of the overall requirement of 98, to be able to carry out successful implementation of the CSP, TCB needs to; improve its manpower strength, review outdated operational manuals, including scheme of service, preparation of training and succession programs and an incentive package necessary for boosting the morale of its staff.



- **Variability in international market** coffee prices and low domestic coffee consumption also plummeted significantly reducing TCB income. Evaluation of the performance of the 1st CSP also exposed poor financing of the key strategic activities as a major constraint to its success, e.g. out of TAS 20 bn earmarked for supporting coffee research and financing the supply of seedlings to our Coffee farmers (for replanting, infilling and expansion) over a five year period, we managed only TAS one bn/= a year for some years. Under the circumstances, TCB may have to diversify sources worth investing in, including modernizing its current business units and developing project proposals for presentation to development partners for funds request.
- **Cutting Red Tape to Make Coffee More Remunerative** TCB's internal system integration, data integrity and control require improvement just as further upgrading of its operational systems and the upgrading of physical Coffee Auction System to an online Coffee Exchange to attract more buyers of coffee at reduced costs and hence raise coffee prices.
- **Generating Synergies for Increased Stakeholders Collaboration** One of TCB's major milestones after the government reforms of the coffee sector in 2009 was the development of the 1st Industry Corporate Strategic Plan - CSP which followed TCB's effective coordination of the coffee stakeholders. Inversely though, a midterm evaluation of the 2011 – 2021 CSP identified weak and at most, lack of a clear coordination of the sector stakeholders as one of the most important factors that compromised the success of the strategy. In the light of that revelation and TCB's unending resolve to increase the long term coffee sector profitability, improving the coordination of the shared functions more vividly cannot be substituted regardless of the fact that, doing so calls for more spending too.
- **Taking Advantage of TCB's Wealth of Partnerships** TCB has a long chain of partners throughout the long coffee market chain across the world, and who can be maneuvered to take some part in steering a more speedy development of the Tanzania Coffee industry.
- Coffee is one of Tanzania's National Strategic Crops, 2nd only to cashew nut thus meriting more direct government attention,
- Grown in 71 constituencies, coffee is the only cash crop with a larger number of Members of Parliament with whom TCB can influence development of coffee favourable agenda, including funding programs
- Coffee has a long value chain which involves many hands which can be made to play a helping hand back at the place of its origin. That long list extend from Coffee farmers (from abroad), their cooperatives, coffee estates proprietors, coffee buyers, several other key service providers such as extension staff, inputs suppliers, banking Institutions, research institutes, Clearing & forwarders, Shipping companies, exports and companies in importing countries, up to the cup consumer far away in the USA, Japan, Germany, Russia etc. The coffee fraternity with whom TCB works under the Public Private Partnership (PPP) include Tanzania Coffee Association - TCA, Tanganyika Coffee Growers Association (TCGA), NGO's, AFCA, IACO and ICO. All those companies can be influenced into forging a formidable partnership to a huge advantage of the development of Tanzania coffee industry.
- **Advocating Coffee Friendly Legislation & Policy Framework.** As mentioned elsewhere in this report, TCB'S legal mandate has not secured it from the repercussions of unfriendly legal constraints by other institutions. Tanzania's land tenure system which provides for strict time limitations in land ownership deeds is unattractive to the would be investors in coffee estates, in as much the same way it does not protect areas under agricultural activities evidenced by the decrease in coffee acreage resulting from inhabitation of land used for coffee, a phenomenon highly apparent in Kilimanjaro, Arusha and Mbeya regions.

Legal provisions do not augur sufficiently with TCB's role of "coordinating shared functions" as they in some cases, lack provisions binding stakeholders to implement agreed activities or observe decisions made jointly.

Such are the legal and a variety of hurdles that TCB has to brave to make the 2020/21 – 2024/25 CSP achieve significant breakthroughs.

The 2nd TCB Corporate Strategic Plan Development & Objective

- The TCB 2nd Corporate Strategic Plan (CSP) 2020/21 – 2024/2025 has been developed, objectively to provide a more informed strategic direction for the Board in discharging its legal mandate in compliance with the Coffee industry Act of Parliament No 23 of 2001 and as amended in the Crop Boards Miscellaneous Act of Parliament No 20 of 2009.

Its primary focus is to achieve TCB Vision and mission by creating an enabling coffee business environment, ensuring competitive prices for Tanzania coffee, optimizing coffee production and productivity and to ultimately contribute more to Tanzania's Development Vision 2025.

- The participation of the broad coffee stakeholders in the development of the 2nd, CSP was achieved through TCB organized strategic meetings, collection of information from peers and through consultative meetings with key industry stakeholders in four coffee growing regions.
- Importantly too, the process embraced review of several national policy documents to make sure that the CSP was properly aligned with relevant national strategies, namely; The National Five - year Development Plan, (FYDP II), Tanzania Development Vision 2025, Agriculture Policy, Agriculture Sector Development Program (ASDP) II, Integrated Industrial Development Strategy (IIDS), The Coffee Industry Development Strategy (CIDS) and its mid-term evaluation report, International Coffee Organization (ICO) reports. Others were Cooperative Development Policy, National Economic Empowerment Policy, National Strategy for Youth involvement in agriculture, Women and Gender Development Policy, Sustainable Development Goals (SDGs), Industrialization Policy, National Anti – Corruption Policy (NACP) and National Policy on HIV/AIDS.

Strategic Themes for Our 2nd' Corporate Strategy

- **To increase Coffee production from 66,000 mt currently to 200,000 mts and above possibly to 300,000 mts by year 2024/25 by rising yield from 200 -250 Gms to 1000 gms per Arabica coffee tree and 400 – 500 gms for Robusta.**



Kyerwa Coffee Nursery in Kagera region. Kyerwa Nursery produced two million Coffee seedlings in 2021/ '22. Over the same period (15 million) fifteen million Coffee seedlings were distributed countrywide.

To be achieved by partnering with key industry stakeholders on the implementation of the following strategic objectives;

- Rehabilitation of neglected and unproductive farms, Gap filling, Improving field management and post harvest handling which, also triggers quality improvement,
 - Promoting research, adopting new technologies and planting new coffee hybrids supported by intensification of extension services, ensuring availability and use of inputs,
- **Boost quality to 70% from 35% of the current premium of the national output.** To be achieved through; Engendering Value Addition across the value chain by Intensification of husbandry and field management, emphasizing use of Central Pulperies Units (CPUs) for cherry pulping to move a high percentage of Tanzania coffee in the poor classes of 1 – 6 (fetching low prices) to higher classes of 8 – 17 (which generate premium prices) by curing coffee per farmer groups and auctioning per origin as well as determine price levels to farmers based on quality;
 - **Engender Value Addition across the value chain.** To be achieved by; Promoting & encouraging use of Coffee Pulperies Units (CPUs) as a tool of securing uniformity and consistency in quality and value addition, local roasting, packaging and promote



domestic consumption.

- **Increasing Coffee Farmer Incomes & Price premiums.** To be achieved by; Raising quality, increasing market promotion and marketing as a branded single origin,
- **Improving Coffee Business Environment / Policy framework for sustainable quality and value addition.** To be achieved by;
 - i) Pre-season price announcements to contain cheating on prices by getting prices right to farmers on the current state of market price trends.
 - ii) Curing /processing and auctioning per origin for ease of traceability to comply with the international standards certification requirements.
 - iii) With the Local Government Authorities monitor compliance with respective coffee license conditions to be re- , enforced by register of coffee farmers throughout the country

Opportunities and Benefits;

- Every year coffee contributes massively to Tanzania's socio-economic development and the accruing benefits can be multiplied many folds should the existing potential be optimized by, among others, putting more of our vastly unused land under the cultivation of coffee, Observing strict adherence to the requisite discipline in the observance of proper field management and post harvest handling practices.
- Tanzania produces small amounts of the world's

finest mild Arabica and Robusta coffees. Supplies of our coffee at the world market fall far short of demand, a gap we have to strive to fill to increase our coffee income.

- According to the Tanzania District Coffee profile (2018 – 2019) the country has 741,895 ha suitable for cultivating coffee of which only 191,500 ha are cultivated by 320,000 small farmers in small farm land units of 0.5 – 2 acres, accounting for 90% of the total production. The remainder, 10% is produced in some 101 registered coffee estates. Besides the advantage of favourable big land area for increasing production supported by the presence of a ready lucrative market, Tanzania's world's lowest rates of productivity at ¼ kg (250 Gms) for Arabica coffee tree and 350 Gms for Robusta, can be easily raised to compare favourably to Colombia (the other producer of mild Arabica) at 1.1 kg per plant of Arabica. The same can be done with rates for Robusta by emulating Brazil's rate of 2.5 kgs/tree through
- Observance of good husbandry practices, replanting of old trees and use of fertilizer as well.
- Adherence to recommended field management practices such as replanting, rejuvenating, application of manure and or fertilizers and use the right inputs do not demand more sweat than we can offer to work that extra mile needed to make our coffee to deliver much more than it does currently.
- Further opportunities abound through improving the quality of our coffee. Tanzania should be able to fetch higher prices for its coffee by improving on the quality of its coffee, the majority of which, at present fall in the category of low quality.

The World Coffee Production Situation - 2019/2020

In 2019/2020 world coffee production was 10.26 million tons of which the component of Arabica was 5.96 million tons and the remainder – 4.3 million tons contribution of Robusta, according to statistics from the World Coffee Organization ICO.

Rank	Countries	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Contribution %
1	Brazil	3,198.30	3,172.20	3,407.30	3,164.4	3,775.50	3,492.7	35.27
2	Viet Nam	1,590.00	1,724.20	1,532.40	1,673.3	1,870.40	1,829.2	18.47
3	Colombia	800	840.5	878.1	829.4	831.5	846.0	8.54
4	Indonesia	656.8	755.1	692.5	51.1	565.1	686.0	6.93
5	Ethiopia	394.5	402.8	437.8	47.2	466.6	440.6	4.45
6	Honduras	316.1	347.1	447.4	453.6	439.7	355.9	3.59
7	India	327	349.8	369.7	348.8	318.1	299.3	3.02
8	Uganda	224.7	219	297.7	275.8	282.2	330.5	3.34
9	Mexico	218.2	166.3	218.1	269.1	261	239.1	2.41
10	Peru	173	198.2	253.4	256.7	255.8	230.2	2.32
11	Guatemala	198.6	204.6	221.1	224.0	240.4	216.4	2.18
12	Nicaragua	113.9	127.8	153.3	157.0	150.6	172.9	1.75
13	Côte d'Ivoire	103.7	77.3	49	88.4	137.7	115.7	1.17
14	Costa Rica	88.5	86.4	82.3	93.6	85.6	88.3	0.89
15	Tanzania	45.2	55.8	50.8	47.0	70.5	55.6	0.56
16	Kenya	46.2	48	47.6	47.4	55.8	50.6	0.51
17	Papua New Guinea	47.9	42.7	70.3	44.0	55.8	45.1	0.46
18	El Salvador	39.9	33.9	36.6	45.6	45.7	39.7	0.40
19	Venezuela	39	30	31.5	37.4	31.5	39.0	0.39
20	Ecuador	38.6	38.7	38.7	34.3	36.1	33.5	0.34

World coffee producing countries by volume, rank and percentage contribution 2014/15 - 2019/20 - Source: ICO 2020

Coffee Production in Tanzania

Coffee production in Tanzania rose to an average of 65,000 tons in the past four years a 2018/19 – 2021 after stagnating at 50,000 tons in thirty years. Two types of coffee viz; Colombian Mild Arabica (accounting about 60% of the total output) and Robusta the remaining 40%. Tanzania accounts for 6% of the world's Colombia mild groups. Most of the coffee produced in Tanzania, close to 90% is from approximately 320,000 coffee small-holder farms measuring 0.5 – 2 acres.

Tanzania has the world's lowest productivity rates at 0.25 kg Arabica tree and 0.35 kg /Robusta tree comparing very poorly with Colombia and Brazil where the rates are respectively 1.1 kg for the mild Arabica and 2.5 kg / Arabica Coffee tree. Efforts are ongoing to raise the country's productivity and increase the quality of Tanzania coffee.



Region/Year	2015/16	2016/17	2017/18	2018/19	2019/2	2020/21	2021/22	2022/23
Estates								
K'njaro	3,314.0	2,847.0	3692.0	3135.4	1,786.0	1,680.4	2,596.41	3,460.91
Arusha	2,353.0	1,843.0	2739.7	1985.6	4,497.8	1,738.3	2,040.10	2,512.91
Mbeya	1,969.0	2,139.0	2022.0	2204.8	5,248.1	2,345.5	2,802.00	3,169.46
Ruvuma	13,693.0	10,855.0	12279.0	16104.0	10,984.3	12,325.9	19,152.50	15,503.92
Iringa	58.0	5.0	24.0	21.7	564.1	21.2	5.33	-
Katavi	1.4	1.0	2.0	2.0	2.3	2	2.50	-
Kigoma	1,094.0	1,101.0	677.1	1264.1	386.1	706.2	288.02	988.95
»Kagera	24,631.0	20,023.0	12644.0	29456.9	27055.7	44187.8	29,064.67	35,606.00
Tanga	182.0	189.0	286.0	100.0	4.5	122.3	43.47	90.40
Morogoro	7.0	9.0	8.0	2.0	2.7	0.31	5.25	12.02
Mara	770	657	706	199.48	882.9	186.4	159.00	206.61
Mwanza	5	7	5	1	4.0	16	3.50	3.60
Njombe	119	86	81.0	40.3	20.0	110.1	105.49	133.24
Manyara	41	18	16.0	14.3	18.0	1.94	4.55	9.98
Songwe	11950	7183	8690.0	10996.2	9,195.0	9582.56	10,564.17	12,093.60
Total	60,188.00	46,963.50	43,871.80	65,527.70	60,651.71	73,027.01	66,836.93	73,791.60

Forecast

Source: Tanzania Coffee Board TCB

Sustainability

Enduring Coffee Business

Managing increasingly delicate globalized coffee supply chain relationships, which are highly vulnerable to disruption, as well as how to respond decently to the ever-growing stringent international commodity standards requirements, is decisive for Tanzania's longstanding success in the international coffee market.

With vast socio-economic, cultural and political value, coffee is produced in the three continents of Africa, Latin America and Asia and is traded all over the world trailing only petroleum as an international business commodity.

A dependable source of income to the coffers of the countries where it is produced as well as in it is trade value chain and where it is consumed coffee supports livelihoods of millions of people involved in its cultivation, research, processing, transportation, handling, clearing in ports en-route to its final destinations etc. and more others in its long businesses chain where it is consumed.

Tanzania, ranks fourth out of Africa's 25 coffee producing countries, behind Ethiopia, Uganda and Ivory Coast and number two after Colombia in the Category of world's mild coffee producing countries with a huge potential to by far, more than treble its current output.

Tanzania produces both Arabica and Robusta Coffees. Our primary objective isto raise productivity to enable our country to produce bigger volumes of the best quality coffees which can fetch highest possible prices enough to ensure remunerative returns to our farmers as the mainstay of our coffee production and to bolster the international credibility of Tanzania as a dependable and consistent supplier of top-class coffees.

Our obligation to respond to our national requirement of protecting the natural environment, fortunately coincides with the requirements of the international commodity standards, even though, the latter have mostly proved to be harassingly expensive to meet by most of our poorly remunerated farmers.

The Main-stay of Tanzania Coffee Industry

Aware of the subsequent benefits of hard work and patient waiting, all the players in the coffee industry in Tanzania - from the government, the Coffee Board, up and down-stream the coffee value chain, are resolved to diligently adhering to the coffee commodity standards requirements, local or international. That caps our motto “A happy coffee farmer” and we are resolved at just making that happen.



Deputy Minister of Agriculture Hon. Anton Mavunde (Mb) Launching the Distribution of the coffee seedlings in Kagera Region

The basic aspects of our 2021 -2022/2024/2025 Strategic Plan constitute our carefully contemplated strategic objectives in which is defines the direction we (all in the coffee industry)pursue - from research, field management/ husbandry practices, through the entire chain of processing and handling to shipment, all, aimed at one focal point – **Sustainability of our Coffee (industry) by; Increasing the volumes and quality of our coffee;** by keeping our farmer comfortably going, efficiently and sufficiently maintaining supplies of our high-quality coffee at the world market. We are aware that we are well placed to achieve this by cooperating with our partners and supporting their programs, with the aim of strengthening good coffee farmer practices and increasing market access. Such programs include, but not limited to;

- **Fairtrade International;** A certification program that seeks to improve the livelihoods of (especially small farmers) by paying them fair prices and providing stability in trade relationships and is given only to farmer Associations and Co-operatives, not individual farmers,
- **Rainforest Alliance** which certifies coffees grown on farms located where forests, soils, rivers and wildlife are conserved and coffee must be grown under trees' shade. Through the program, workers are respected, paid decent wages, ensured safe working conditions and given access to education and medical care,
- **Starbucks C.A.F.E** - Coffee And Farmer Equity Looks to ensure that coffee is sustainably grown by evaluating the economic, social and environment aspects of its production,



- Common Code for the Coffee Community (4C); Address social, economic and environmental standards for everyone in the coffee production from farmer to exporter. At the moment, 4Cverified coffee is found in Europe but is expanding to United States markets. Farmers are advised to prioritize the programs that they are sure fall in line with their concerns.



Kyerve Nursery has produced 2 million seedlings in 2021/22. In 2021/22, 15 million seedlings were distributed throughout the country

Why Certify Our Coffee

Some of the benefits of certifying our coffee are summarized thus;

- Though certification process is voluntary for farmers, they are beneficial, because certified coffees fetch premiums which increase farmers' income,
- Producers aspiring for inspection must meet social, economic, environmental and administrative requirements by the specific standard,
- Farmers must be well organized, maintain records and practice transparency and traceability/making known the origin of their coffee
- May improve levels of literacy among farmers, majority of whom are of poor literacy, and,
- Because certification guidelines are satisfied during production, the way a coffee is being produced is being certified.

TANZANIA COFFEE MARKETING SYSTEM

In the last three years, 2018/19 to 2020/21 Tanzania coffee earnings averaged USD 126,094,187 every year. This year, forex earnings from coffee should climb to over USD 204,194,355. Projections for the coming season (2022/23) put our coffee volumes in the upwards of 82,500,000 worth an estimated USD 235,600,000.

The marketing of Coffee in Tanzania goes through three windows viz:

1. Farm-gate buying (usually from small producers),
2. Online Auctions - conducted weekly by the Tanzania Coffee Board and,
3. Direct Exports window (mainly private companies, Estates and AMCOs)

No	Season	Volume/Kgs	Value (USD)
1	2018/2019	66,546,208	123,185,587
2	2019/2020	59,318,116	112,829,997
3	2020/2021	73,026,704	142,266,978
4	2021/2022	66,543,220	204,194,355
5	» 2022/2023	82,500,000	235,600,000

» Estimated

Widening Our Coffee Markets





Converting Tanzania's AFCTA Membership into increased Coffee Sales As we successfully increase the volumes and quality of our coffee, Tanzania's membership to the Africa Continental Free Trade Area – **AfCFTA**, is opening wide further opportunities to promote consumption habits for our eagerly coveted coffees in the rest of the continent.

TCB is resolute in that stance at **Converting the opportunity of our country's membership in the AFCTA**, into expanded sales of our coffee in as many possible member countries by heightening promotion engagements, including, in collaboration with our ambassadors in those countries as well as with the respective embassies in Tanzania.

Uplifting Our local Coffee Drinking habit

Leading producer countries, in particular, Ethiopia – Africa's number one coffee producer and its top coffee consumer is also the continent's fastest growing coffee economy. Brazil – world's top producer and its 2nd

most important consumer, only behind the USA is like Ethiopia known to offer good prices to their farmers due to the component of strong domestic consumption which provide stability in the prices that their coffee fetch. Encouraged by those rich examples, the Tanzania Coffee Board is working tirelessly upwards to boost the value of Tanzania's coffee earnings by heightening efforts to push further up, the local aspect of our coffee consumption currently at 8% to the upwards of 15%, come 2025. We intend to achieve that goal by, among others;

- Formalizing and training local coffee vendors (Ghahwa makers and sellers) on best and hygienical practices,
- Promoting coffee drinking practices in the country's universities, (Universities of Dar es Salaam -UDSM, Mzumbe, Sokoine University of Agriculture -SUA and University of Dodoma -UDOM, to begin with)
- Encouraging opening of Cafes in Cities and towns of Tanzania,
- Designing and promoting mobile coffee shops as practical as possible in many areas of the country, and
- Engaging vigorously in promoting coffee consumption through such fora as Nane Nane and Saba Saba events.

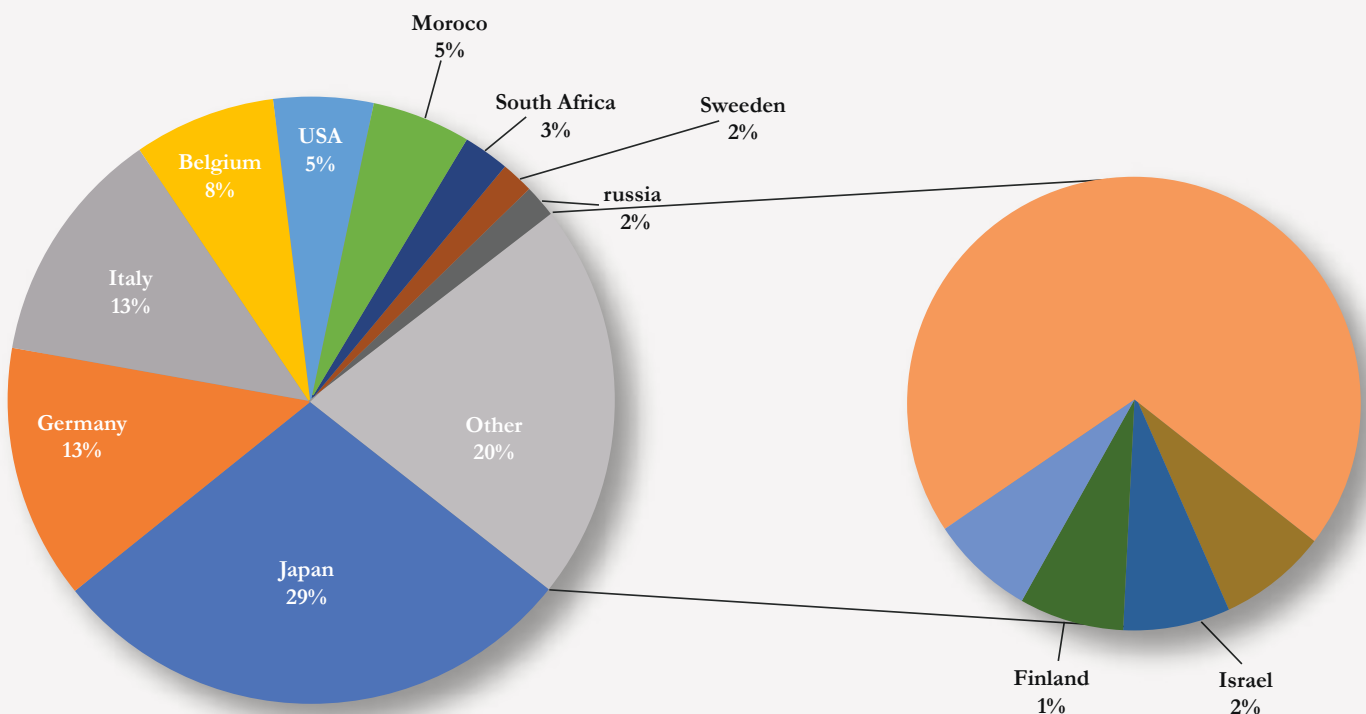
In the spirit of shared functions, TCB has also worked fairly well with the private sector with an amount of good success in raising the number of local coffee roasting/processing factories from 22 in 2011 to over 30 in 2022 among them, two Instant Coffee producing factories (coincidentally the biggest in Eastern Africa). The latter puts Tanzania in an advantaged position in effectively enhancing the value of our coffee to greater heights as we move on well in increasing the volumes and quality of our coffee.

EXPORTS DESTINATIONS

TANZANIA'S COFFEE EXPORTS DESTINATIONS COUNTRIES 2021/2022

For a decade Japan has been a leading Tanzania coffee importer and for the year 2021/2022 has imported 28.92% of total exported coffee as shown in the table below

Country	Export (M/T)	Percentage (%)
Japan	15,900.95	28.92%
Germany	7,412.00	13.48%
Italy	6,978.02	12.69%
Belgium	4,192.29	7.62%
USA	2,978.85	5.42%
Morocco	2,847.92	5.18%
South Africa	1,445.40	2.63%
Sweden	946.18	1.72%
Russia	921.69	1.68%
Spain	896.40	1.63%
Israel	883.30	1.61%
Finland	839.05	1.53%
Australia	833.23	1.52%
Others	7,909.60	14.37%
Total	54,984.88	100.00%





DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS AND COMPLIANCE AUDIT OF TANZANIA COFFEE BOARD (TCB) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

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March 2023

AR/PA/TCB/2021/22

REPORT OF THE CONTROLLER AND AUDITOR GENERAL



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

1.0 REPORT OF THE BOARD OF DIRECTORS

1.1. Introduction

The Directors hereby submit their annual report together with the audited financial statements for the year ended 30 June 2022 which disclose the state of affairs of Tanzania Coffee Board (the “Board”). The financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS).

1.2. Establishment of the Board

The Tanzania Coffee Board is a corporate body established under section 3(1) of the Coffee Industry Act (the “Act”) No. 23 of 2001 with the main function of regulating the coffee industry in Tanzania and advise the Government of the United Republic of Tanzania on all matters related to the growing, processing and marketing of coffee within and outside the country. Along with the Act, the Board conducts operations under Coffee Regulations of 2003 and the Crops (Miscellaneous Amendments) Act of 2009 revised on 2013.

1.3. Vision of the Board

To become a leading regulatory agency in the provision of services to the coffee sector in Tanzania and Africa.

1.4. Mission of the Board

To facilitate an enabling business environment for a sustainable coffee sector.

1.5. Principal functions of Tanzania Coffee Board

The overarching role of the Board is to carry out regulatory functions and such other activities as are necessary, advantageous or proper for the benefit of the coffee industry. Specifically, the Board is mandated to:

- (a) To advise the government on the policies and strategies for the development of the coffee industry in order to improve the quality, increase in production and competitiveness in the local and international market;
- (b) To promote the development of coffee production, processing and marketing;
- (c) To make regulations governing the cultivation and marketing arrangements of coffee including the monitoring of its price;
- (d) To provide financial support to coffee research and development and coffee sales promotion locally and internationally;
- (e) To regulate and control the quality of coffee and coffee by-products;



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

- (f) To collect, refine, maintain, use or disseminate information or data relating to the coffee industry;
- (g) To Monitor the production and exportation of Coffee;
- (h) To promote Technological advancement in the coffee industry;
- (i) To make regulations for processing, exportation and storage of coffee and coffee by- products;
- (j) To Facilitate or assist in the formation of associations or other bodies related to or dealing with coffee industry;
- (k) To protect the interest in the formation of associations or other bodies related to or dealing with coffee industry;
- (l) To protect the interest of farmers against syndicates of buyers which may be formed through formation of Associations;
- (m) To ensure proper management of any fund established under this Act;
- (n) To provide consultancy and technical advisory services to coffee growers, coffee processors, liquors, traders and exporters of coffee;
- (o) To represent the industry in the national for a dealing with coffee industry; and;
- (p) To represent the industry in the international for a relating to or dealing with coffee industry.

1.6. Management of the Board

The Management of the Board is under the Director General and is organized in the following departments;

- Directorate of Coffee Development;;
- Directorate of Finance and administration; and
- Directorate of Coffee Quality and Promotions.

1.7. Corporate governance

1.7.1 Corporate Governance Structure of the Board.

Schedule No. 1 of the Act of 2001 (revised in 2009) requires the number of members of the Board of Directors to be nine (9) including the Chairperson. The members of the Board of Directors other than Chairperson are appointed by the Minister of Agriculture, Food Security and Cooperatives ("Minister") upon recommendation of the associations or entities they represent. The Chairperson is appointed by the

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

President upon advice of the Minister. Further details of the representation of the members of Board of Directors have been provided below;

- (a) One member from not less than three and not more than five recommended names by Tanzania Coffee Association (TCA);
- (b) One member from not less than two and not more than three names recommended by Association of Coffee Growers;
- (c) Three members from three major Coffee zones recommended by respective Unions;
- (d) One member representing the Ministry; and
- (e) Two persons possessing knowledge and experience in the coffee industry

1.7.2 Composition of the Board of Directors

The Board of Directors is established under Sec. 3 of Tanzania Coffee Industry, 2001 (revised in 2009). Below is the list of BoD members who served the board during the year under audit. Eight Members of the Board of the Directors were appointed by the Minister of Agriculture on 18 June 2021 and the Chairperson of the Board was appointed by the President on 24 April, 2021 as shown below and will serve three years:

Table 1: Board of Directors

S/N	Name	Position	Nationality	Age	Qualifications	Representative Organization	Date Appointment
1.	Prof. Aurelia K.N. Kamuzora	Board Chairperson	Tanzanian	55	PhD(Law and Economics) Master's Degree in Business Administration. Advanced Studies in Business Management, Specialization in International Management. Advanced Diploma in Economic Planning(International Economics-Elective)	Associate Professor Trustee and Founder for Green Education and Poverty Alleviation. Chairperson of the Board-Bondwa Secondary School. Project Leader - Green for Education and Poverty Alleviation project in Kagera Region.	24 April 2021
2.	Mr. Edson M. Rugaimukamu	Member Representative Western Zone	Tanzanian	54	Master of Business Administration	General Manager-KCU	18 June 2021



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

					Degree. CPA, ACPA.		
3.	Mr. Shedrack A. Issangya	Member Representative Northern Zone	Tanzanian	63	Diploma in Business Administration	Managing Director-Straus East African CO.Ltd. Board Chairman -Arusha Cooperative Union(ACU) Board Chairman-Mbozi Coffee Curing CO Ltd.	18 June 2021
4.	Gotham Filipo Haule	Member Representative Southern Zone	Tanzanian	64	Diploma in General Agriculture.	Member-Mwekela Amcos.	18 June 2021
5.	Mr. Timson Nzunda	Member Representative Tanzania Coffee Association - TCA	Tanzanian	54	Advanced Diploma in Economic Planning.	Director Lima Kwanza Ltd Chairman -TCA	18 June 2021
6.	Mr. Neel Vohora	Member Representative Tanzania Coffee Growers Association-TCGA.	British	40	MSc. Investment Management BEng Hons Chemical Engineering.	Director-Finagro Plantation Ltd & Edelweiss Oldeani Estate Ltd	18 June 2021
7.	Nangula H. Mwampamba	Member who possess knowledge and Experience in Coffee Industry.	Tanzanian	47	MSc Water and Environmental Management. M.A Human Geography.	Consultant and Trainer	18 June 2021
8.	Bahati Ludhabihomwilo	Member who Possess Knowledge and Experience in the Coffee Industry.	Tanzanian	38	Master of Business Administration. MSC International Coffee Economics and Science.	Country Manager -Starbucks.	18 June 2021
9.	Chimagu E. Nyasibwa	Representative From Government/Ministry of Agriculture.	Tanzanian	44	MSc Economics	Director Of Crop Development.	18 June 2021



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

1.7.3 The Board secretary

According to the Section 1(4) of the Schedule to the Act, the Director General serves as Secretary to the Board of Directors (the "Secretary").

The Secretary plays a leading role in good governance by helping the Board of Directors and its Committees function effectively and in accordance with their terms of reference and best practice. Providing support goes beyond scheduling meetings to proactively managing the agenda and ensuring the presentation of high quality up-to-date information in advance of meetings. The current Secretary to the Board is Mr.. Primus Kimaryo (Ag. Director General).

1.7.4 Board responsibilities

The Board of Directors takes overall responsibility for the Board, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board of Directors is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board of Directors is committed to the principles of effective corporate governance and recognizes the need to conduct the business in accordance with general accepted best practice. Furthermore the directors recognize the importance of integrity, transparency and accountability in sound corporate governance.

The Board delegates the day to day management of the business to Director General assisted by various directorates as briefly explained under the section of Management in this report.

1.7.5 Meetings of the Board of Directors

The current board was appointed on 18 June 2021 nearly to the end of financial year 2020/2021, the board held four (4) Ordinary meetings during the year under review. The Board approved various decisions including deliberating and approving the annual plan and budget for the financial year 2022/2023 and issued directives on various matters.

1.7.6 Committees of the Board of Directors

In line with the principles of good governance, there shall be Audit Committee of the Board of Directors. However, the Board has mandate to form a committee where the need arise to address certain matters during operations of the Board. The existing committees of the Board of Directors had one standing committee and one other committee with the following members:

a) Audit Committee Members



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

The new audit committee was appointed on 13 August 2021 and it held four (4) meetings during the year under review. The audit committee was composed of the following members:

Table 2: Members of the New Audit Committee

S/N	Name	Position	Qualification	Nationality
1	CPA Edson M.Rugaimukamu	Chairperson - Active	Master of Business Administration Degree. -CPA, ACPA.	Tanzania
2	Bahati L.Mlwilo	Member - Active	Master of Business Administration. -MSC International Coffee Economics and Science.	Tanzania
3	Tinson T.Nzunda	Member - Active	Advanced Diploma in Economic Planning.	Tanzania
4	Ms. Engerasia Mongi	Secretary - Active	Legal Council - TCB	Tanzania

Function of the Audit Committee

- To advise the Board of Directors on the appointment of the external auditors, the audit fee, the provision of any non-audit services, and any questions of resignation or dismissal of the external auditor;
- To approve the internal audit and annual strategic audit plans of the Board and to monitor the conduct of both the internal and external auditors during the course of execution of their assignments and to ensure maintenance of their independence;
- To discuss if necessary, with the external auditors, before the audit commences, the nature and scope of the audit and or after to discuss problems and reservations arising from the interim and final audits, including management responses;
- To review the internal auditors' audit needs assessment and the audit plan: to consider major findings of internal audit investigations and management's response and promote coordination between the internal and external auditors;
- To monitor the implementation by management of agreed audit-based recommendations as well as directives given by the Board of Directors Public Accountants Committee and Agriculture, Livestock and Water Committee; and
- To monitor the performance of the external auditors and to make recommendations to the Board of Directors concerning their re-appointment, where appropriate.

1.7.7 Capital structure



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

The capital structure of the Board is made up of both ordinary shares TZS150,000,000 divided into 1,500,000 ordinary shares of TZS 100 each, ordinary shares were fully paid up by the Treasury Registrar and TZS161,332,000 Treasury Registrar's contribution to the Board towards the development of the coffee industry.

1.7.8 Future Development Plans

Tanzania Coffee Board is planning to implement the following strategic decisions as per its 2021/22-2024/25 Strategic Plan which covers 5 years, which aims:

- To improve Financial Sustainability;
- To Improve organization Image;
- To Enhance Conducive Business Environment;
- Improving TCB Staff capacity for effective succession plan;
- To Upgrade TCB infrastructures;
- To increase competitive value of Tanzania coffee through improving the quality of coffee, and efficiency; and
- To increase Customer Base.

1.7.9 Results

During the year ended 30 June 2022 the Board has a net surplus of TZS 83.503 million compared to a net surplus of TZS 61.03 million made during the year ended 30 June 2021. The increase in performance resulted mainly from increase in the price of coffee worldwide by more than 70 percent and due to new and current directives from the government on implementation of zonal auctions (Mbinga, Songwe, Kagera).

The Board is the Government institution that is not for profit making, therefore, any surplus available shall be used to finance future activities of the Board or any other purposes as instructed by the Treasury Registrar. Detailed results of the Board have been shown on statement of financial performance.

1.7.10 Performance of the year

During the year ended 30 June 2022, the Board had the following financial highlights indicating its performance from operational activities and financial position.

Statement of Financial Performance

- During the year, the Board recorded the revenue amounted to TZS 8,336,240,000 From both exchange and non-exchange transactions. The revenue has increased by 38.52% from the revenue recorded in the previous



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

year (2021: TZS 6,018,100,000) to (TZS. 8,336,240,000 of 2022). The increase in revenue is mainly due to the increase in the price of coffee for the coffee traded in auctions and direct exports.

- During the year the total operating expenses increased by 38.54% from TZS 5,957,069,000 (30 June 2021) to TZS 8,252,737,000/= (30 June 2022). The increase is due to increase in administrative expenses (administration and coffee farmer's nurseries together with the operation of Zonal auctions).
- During the year the net surplus increased by 36.82% from TZS 61,030,000 (30 June 2021) to a net surplus of TZS 83,503,,000(30 June 2022). The increase is mainly contributed by the increase in the price of coffee as mentioned above.

Statement of Financial Position

- During the year total assets of the Board increased by 2.71% from TZS 38,019,837,000 (30 June 2021) to TZS 39,050,218,000(30 June 2022). The increase is mainly due to Work in Progress in Njedengwa Dodoma and repair of staff houses at Moshi.
- The current ratio has decreased to 3.80 (30 June 2022) from 6.28 (30 June 2021) same to the quick ratio which has decreased to 3.77 (30 June 2022) from 6.22 (30 June 2021). The decrease in liquidity ratios is mainly due to increase in current liability.

1.7.11 Solvency

The Board of Directors confirms that applicable Accounting Standards have been followed and that the Financial Statements of the Board have been prepared on a going concern basis. After reviewing the current Financial Position, The Board of Directors has reasonable expectation that the Board has adequate resources to continue in operational existence for the foreseeable future and meet all maturing financial obligations in the next twelve months from the date of this report, subject to continued Government support.

1.7.12 Risk management and Internal Control

The Board of Directors assumes ultimate responsibility for risk management and internal control systems of the Board. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- safeguarding of the Board's assets;
- compliance with applicable laws and regulations;



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

- reliability of accounting records;
- business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

There is always a risk of non-compliance by staff. Whilst no system of internal control can provide absolute assurance against misstatement or errors or fraudulent actions the Board's System is designed to provide management and those charged with governance with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 30June2022and is satisfied that they meet accepted criteria. The Board carries risk and internal control assessment through its Audit Committee.

1.7.13 Internal Audit

The Unit assesses risk, reviews controls and advises management and the audit committee accordingly. The Chief Internal Auditor reports functionally to the Audit Committee and administratively to the Director General. The internal auditor is acting and was appointed on 01 July 2020.

1.7.14 Budgets

Detailed annual budgets are prepared by management and approved by the Board of Directors annually.

1.7.15 Employees' welfare

I. Management and Employees' Relationship

There were continued good relation between employees and management for the year ended 30June 2022. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and Tanzania Plantation and Agricultural Workers Union (TPAWU).

The Board is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

II. Training Facilities

Training programs have been and are continually being developed to ensure employees are adequately trained at all levels, all employees have some form of annual training (in house and external) to upgrade skills, competence and enhance



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

development. Moreover, performance appraisal (OPRAS) is done to employees who help to identify training needs.

During the year under Audit the Board spent TZS 36.41 Million for the staff trainings compared to TZS 31.64 Million which was spent in the year 2020/2021. The Board will continue to provide both in house and external trainings to its staff for enhancing their development.

III. Medical Assistance

Board's staffs are member of NHIF on which the Board contributes 3% of Basic Salary. However, the Board meets fully the cost of medical consultation and treatment for all employees and their immediate dependants in cases they are not covered by NHIF. During the year the Board spent TZS 27.25 million to cover staff medical expenses compared to TZS 7.25 Million that was used during the year 2020/2021.

The Board will continue to ensure good health for its staff through medical assistance.

IV. Health and Safety

The Board takes all reasonable and practicable steps to safeguard health, safety and welfare of its employees. A safe working environment is maintained for all employees.

V. Financial Assistance to Staff

Staff advance are available to all confirmed employees depending on the assessment of and the discretion of management as to the need and circumstances. Management has established TCB SACCOS to assist in promoting the welfare of its employees.

VI. Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. The Board has a policy to give equal opportunities to persons with disabilities for vacancies they are able to fill. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Board continues and appropriate training is arranged. It is the policy of the Board that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

VII. Employees Benefit Plan

Retirement Benefits - Pension Contributions to Defined Pension Funds. The Board makes statutory contributions to Public Services Social Security Fund (PSSSF) for all staff under permanent terms of employment.

VIII. Other staff benefits

The Board provides additional benefits to qualifying employees such as leave fare, accommodation or allowance in lieu, and telecommunication cost subsidy.



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

1.7.16 Gender equality

It is the Board's policy to give equal opportunities to both genders in employment and training. Women are employed and sent for various training courses without discrimination.

During the year, the Board had total employees of 70 out of which 48 were Male and 22 were female compared to 63 employees out of which 34 were Male and 29 were female (2020/2021).

HIV/AIDS Policy

The Board recognises the importance of staff awareness regarding HIV/AIDS issues. Relevant sections have been included in the staff regulations. The Board has determined some risks associated with an impact of HIV/AIDS as follows: operational risk, legal risk and health risk.

While all these risks are under investigation, the Board has adopted the following core principles as a basis for its HIV/AIDS policy:

- Continuously assess the risk posed by HIV/AIDS on the operations of the Board.
- Limit the number of new infections among the employees.
- Ensure employees living with HIV/AIDS are aware of their rights and that their rights are respected and protected.
- Provide care and support to employees living with HIV/AIDS.

1.7.17 Compliance to laws and regulations

In carrying out its activities, the Board is required to comply with various statutory requirements including Laws and Regulations. Nothing has come to the attention of the Directors to indicate non-compliance with all statutory requirements.

1.7.18 Environmental control programmes

The Board recognizes importance of environmental management thus adheres to the environmental issues in the development projects carried out. The Board has been active to ensure its properties remain in sound and clean environment by providing sufficient facilities for waste collection by also engaging the agent for carrying wastes to Municipal disposal area.

1.7.19 Anti-corruption at work places

1.7.20 The Board implements 'anti-corruption' at work place by adhering to good governance principles in procurements and recruitments. The staff regulations set platform for anti-corruption guidelines.

1.7.21 Related party transactions



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the normal course of executing its core activities, the Board has entered into various related party relationships i.e. Treasury Registrar, Key management staff, Directors and their associates. Details of related party transactions during the year ended 30 June 2022 has been shown on page no 26.

1.7.22 Political and charitable donations

The Board did not make any political donations during the year. Donations made to charitable organizations during the year amounted to TZS 16.65 Million (2020/2021: 9.2 Million).

1.7.23 Corporate social responsibility (CSR)

The Board continued with its commitment to put its employees at the heart of CSR programs by engaging with them in participation on various CSR activities. Staff participation has highlighted the importance of giving where the Board encourages and promotes staff interest in giving back to the community, hence it brought positive impact to the communities we serve. The Board and its employees will continue to participate in CSR activities.

1.7.24 Events after reporting period

There were no material events, adjusting or non-adjusting, which have occurred between the reporting date and the date when financial statements are authorized for issue.

1.7.25 Statutory auditors

The Controller and Auditor General (CAG) is the sole Auditor for the Board by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified under Section 9 of the Public Audit Act, Cap 418 (R.E. 2021). However, the CAG, using the powers conferred upon him by Section 33(1) of the Public Audit, Act Cap 418 (R.E. 2021) appointed M/S. MGK Consult, Certified Public Accountants, to carry out the audit of the financial statements of the Board for the financial year ended 30 June 2022.

BY ORDER OF THE BOARD OF DIRECTORS

Prof. Aurelia Kamuzora
Chairperson of the Board

Primus Kimaryo
Ag. Director General

Date

Date



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

2.0 STATEMENT OF DIRECTORS RESPONSIBILITIES

These financial statements have been prepared by the management of the Tanzania Coffee Board (the "Board") in compliance with the provisions of Section 25(4) of the Public Finance Act. No 6 of 2001 (Revised 2004). The financial statements as required by the said Act are presented in a manner consistent with International Public Sector Accounting Standards (IPSAS). Moreover, Section 33(1) of Tanzania Coffee Industry Act of 2001 requires the Board to maintain proper accounting records with respects to all sums of money received and expended by the Board and matters in respect of which the receipt and expenditure take place, and all the assets and liabilities of the Board.

The Directors are also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and the requirements of the Tanzania Coffee Industry Act of 2001 and Public Finance Act. No 6 of 2001 (Revised 2004).

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Board and of their surplus in accordance with IPSAS.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Directors to indicate that the Board will not remain a going concern for at least twelve months from the date of this statement.

BY ORDER OF THE BOARD OF DIRECTORS

Prof. Aurelia Kamuzora
Chairperson of the Board

Primus Kimaryo
Ag. Director General

Date

Date



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

3.0 DECLARATION OF THE HEAD OF FINANCE OF TANZANIA COFFEE BOARD

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I, **James Kadegheon** behalf of The Director of Finance and Administration (DFA) of Tanzania Coffee Board hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2022 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and the requirements of Tanzania Coffee Industry Act of 2001 and Public Finance Act. No 6 of 2001 (Revised 2004)

I thus confirm that the financial statements give a true and fair view position of Tanzania Coffee Board as on that date and that they have been prepared based on properly maintained financial records.

.....
Signed by:

Position: .
NBAA Membership No.GA.5959

Date:.....



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

4.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Tanzania Coffee Board,
Kahawa House,
P.O. Box ,732
Moshi, Tanzania.

4.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Coffee Board , which comprise the statement of financial position as at 30 June 2022, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Coffee Board as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Tanzania Coffee Board in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to the matter below. My opinion is not modified in respect of this matter.

- 1) My review of Note 6 in respect of trade receivable from exchange transaction involved TZS 1,858,858,055 relating to coffee suppliers overpaid during the



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

financial years 2016/17 and 2017/18. Management have not made any provision for bad debts with respect to this amount. However, under plea bargain arrangement, defendants pleaded guilty and as at 30 June 2022 DPP was still in a process of recovering the said amount from responsible parties. Also up to the date of this report TCB is still in a process of transferring the title deeds of the surrendered properties worth TZS 357.6 Million.

- 2) TCB has been mandated to conduct coffee auction and regulate the trading of coffee in the country as per Part II sect 5(2d) of the Tanzania Coffee Industry Act of 2001(revised in 2009) although the proceeds and payment relating to coffee auctions does not form part of TCB revenue and expenses hence do not qualify to be included in the statement of financial performance, but they have been included in the statement of cash flow because cash, receivable and payable balances of coffee auction affairs is managed by TCB and included in the Statement of Financial position. The inclusion of these balances necessitates the performance of reconciliation of surplus/deficit as per statement of financial performance and cashflow from operating activities and coffee auction affairs reconciliation (refer to note 34 and note 36). In both reconciliation there differences of Tzs 73.75million and Tzs 35 million respectively. The main cause of these differences is attributed to unreconciled opening balances in receivables and payables relating to coffee auction affairs.

I did not modify my report because the balances relating to coffee auction affairs does not emanate from TCB's core function.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises of the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 (R.E. 2021) requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011(as amended in 2016) requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

4.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

Compliance with the Public Procurement Laws

Subject matter: Compliance audit on procurement of goods, works and services

I performed a compliance audit on procurement of goods, works and services in the Tanzania Coffee Board for the financial year 2021/22 as per the Public Procurement Laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Tanzania Coffee Board is generally in compliance with the requirements of the Public Procurement Laws.

Subject Matter: Compliance with the Budget Act and other Budget Guidelines


I performed a compliance audit on budget formulation and execution in the Tanzania Coffee Board for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, Budget formulation and execution of Tanzania Coffee Board is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

- **Non-compliance to the budgetary control guidelines**

My review of budget management noted that, budget for the year ended 30 June 2022 was uploaded in the Sage 200 Evolution Accounting System in November 2021 which is four months subsequent to the beginning of the financial year. I further revealed that, there was improper application of GFS codes and there was no evidence to support monitoring of budget control.


Sathina M. Mkumba
Ag. Controller and Auditor General
Dodoma, United Republic of Tanzania.

April 2023





DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	30JUNE 2022 TZS“000”	30JUNE 2021 TZS“000”
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	1,719,878	783,837
Trade and Other Receivables	6	3,803,749	4,504,423
Inventories	7	46,639	52,178
Total Current Assets		5,570,266	5,340,438
Non-Current Assets			
Investment Property	8	12,165,102	11,533,095
Property, Plant and Equipment	9	21,253,612	21,069,856
Intangible Asset	10	61,238	76,448
Total Non-Current Assets		33,479,952	32,679,399
Total Assets		39,050,218	38,019,837
LIABILITIES			
Current Liabilities			
Trade and Other Payables	11	1,398,131	790,840
Provisions	12	66,420	59,400
Total liabilities		1,464,551	850,240
Net Assets		37,585,667	37,169,597
NET ASSETS / EQUITY			
Capital fund	13	311,332	311,332
Accumulated surplus		37,274,335	36,858,265
Net assets/ Equity		37,585,667	37,169,597

The accompanying notes are integral part of the financial statements which were authorized for issue on _____ by the Board of Directors and were signed on its behalf by:

Prof. Aurelia Kamuzora
 Chairperson of the Board

Primus Kimaryo
 Ag. Director General

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30JUNE 2022

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

Revenue		30JUNE 2022	30JUNE 2021
Revenue from Non- exchange Transactions	Notes	TZS “000”	TZS “000”
Government Subvention	14	1,218,465	1,138,825
Exporters Contribution	15	3,834,688	2,580,428
Regulatory	16	117,143	95,405
		5,170,296	3,814,658
Revenue from Exchange Transactions			
Warehouse	17	541,320	549,248
Clearing and Forwarding	18	1,024,447	789,121
Rental	19	421,362	418,656
Coffee Roasting Unit (CRU)	20	386,875	243,436
Other revenue	21	791,940	202,981
		3,165,944	2,203,442
Total Revenue		8,336,240	6,018,100
Expenses			
Administration Expenses	22	6,617,664	5,218,490
Selling and Distribution	23	1,481,173	654,209
Finance Charges	24	28,988	15,971
Other Expenses	25	124,912	68,400
Total Expenses		8,252,737	5,957,070
Surplus for the year		83,503	61,030

The accompanying notes are integral part of the financial statements.



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

Notes	Capital Fund	Revaluation Reserve	Accumulated Surplus	Total
	TZS "000"	TZS "000"	TZ "000"	TZS "000"
Year ended 30 JUNE 2022				
As at 1 July 2021	311,332	-	36,858,265	37,169,597
Surplus for the year	-	-	83,503	83,503
***Prior year adjustment	-	-	332,567	332,567
As at 30 JUNE 2022	311,332	-	37,274,335	37,585,667
Year ended 30 JUNE 2021				
As at 1 July 2020	311,332	33,357,899	4,061,323	37,730,554
Surplus for the year	-	-	61,030	61,030
***Prior year adjustment	-	(401,131)	(220,856)	(621,987)
Adjustment of Revaluation Gain	-	(32,956,768)	32,956,768	-
As at 30 JUNE 2021	311,332	-	36,858,265	37,169,597

The accompanying notes are integral part of the financial statements.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30 JUNE 2022 TZS "000"	30 JUNE 2021 TZS "000"
Cash flows from operating activities			
<i>Gross Receipts</i>			
Government Subvention (PE & OC)	14	1,218,465	1,138,825
Cash received on fees, refunds, licenses and commissions	35.1	3,496,195	2,123,190
Exporters Contribution	15	3,834,688	2,580,428
Cash received from coffee auction	36	172,699,331	125,070,106
Total Receipts		181,248,679	130,912,549
<i>Gross Payments</i>			
Payments for administrative expenses	35.2	(6,341,060)	(4,446,693)
Payments for selling and distribution expenses	23	(1,481,173)	(654,209)
Finance costs	24	(28,988)	(15,971)
Other expenses	35.3	(117,892)	(58,932)
Payments for coffee auction	36	(171,491,365)	(125,473,108)
Total Payments		(179,460,478)	130,648,913
Net cash flows used in operating activities		1,788,201	(263,636)
Cash flows from investing activities			
Acquisition of PPEs	8 & 9	(852,161)	(487,760)
Net cash outflows in investing activities		(852,161)	(224,124)
Net increase/(decrease) in cash and cash equivalents		936,040	(224,124)
TCash and Cash equivalents:			
At start of the year		783,838	1,007,962
Net foreign exchange differences		-	
At the end of the year	5	1,719,878	783,838

The accompanying notes are integral part of the financial statements.



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original TZS "000"	Final TZS "000"	Actual TZS "000"	Variance TZS "000"
REVENUE				
Government subvention (OC & PE)	1,344,660	1,344,660	1,218,465	126,195
Own Sources	6,867,900	6,867,900	7,113,158	(245,259)
Exchequer- Development	2,400,000	2,400,000	-	2,400,000
Total Revenue	10,612,560	10,612,560	8,331,623	2,280,937
EXPENSES				
Administration expenses	6,234,948	6,234,948	6,155,121	79,827
Selling and Distribution expenses	4,170,912	4,170,912	1,481,173	2,689,739
Finance charges	39,700	39,700	28,988	10,712
Other expenses	167,000	167,000	124,912	42,088
Total Expenses	10,612,560	10,612,560	7,790,194	2,822,366

The accompanying notes are integral part of the financial statements.



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Tanzania Coffee Board is a statutory organization established under section 3(1) of the Coffee Industry Act No. 23 of 2001 and its Regulations of 2003, read together with The Crops (Miscellaneous Amendments) Act of 2009.

The registered office of the Board is:

Kahawa House,

Mawenzi/Railway Street,

P.O. Box 732,

Moshi, Kilimanjaro,

TANZANIA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Board have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Board (IPSAB). The financial statements are presented in Tanzania Shilling (TZS) which is the functional and reporting currency of the Board, and all values are rounded to the nearest thousand (TZS'000). With the exception of Statement of comparison of budget and actual amounts which has been prepared on cash basis, land and investment properties have been stated at fair value, while other financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Board's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

(b) Changes in accounting policy and disclosures

I. New and amended standards adopted by TCB

There are no IPSASs or its interpretations that are effective for the first time for the year beginning on or after 1 July 2021 that would be expected to have a material impact on Coffee Board that have not been adopted.

II. New and amendments to standards and interpretations that are not yet effective and have not been early adopted by the Board.

• IPSAS 41, Financial instrument

The standard was issued in August 2018, and will become operational in January 2023 with early adoption is encouraged, the aim is to establish new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29.

IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- I. Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- II. Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- III. Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

• IPSAS 42, Social Benefits

The standard was issued in January 2018. IPSAS 42 defines social benefits, and includes requirements for the recognition and measurement of social benefit schemes. IPSAS 42 also includes disclosure requirements that will provide additional information that users may need to evaluate the effect that social benefits have on a government's finances. The IPSAS 42 will promote consistency and comparability in how social benefit schemes are reported by public sector entities.

(c) Foreign currency translation

i. Functional and presentation currency



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

The Board has chosen Tanzania Shilling (TZS) to measure all items in the financial statements reflecting the fact that it is the currency of primary economic environment in which the Board operates ("the functional currency"). The financial statements are presented in Tanzania Shillings (TZS) which is the Board's functional and presentation currency and all values are rounded to the nearest thousands (TZS'000).

ii. Transactions and balances

Foreign currency transactions are translated into the Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Monetary items dominated in foreign currency are translated with the closing rate as at the reporting date. Foreign exchange gains or losses arising from the settlement of monetary items or on translating the monetary items at the rates from those at which they were translated on initial recognition of the period or in previous financial statements are recognized in the surplus or deficit in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction and non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The exchange gain or loss from the gain or losses of non-monetary items are recognized directly to the net assets/equity.

(d) Revenue recognition

The main sources of revenue of the Board are Revenue from non-exchange transactions which include Government subvention, Exporters Contribution, Directors Export Fee, and Regulatory income, and Revenue from exchange transactions which include warehouse income, clearing and forwarding income, rental income, gain on exchange rate, curing collection fee and income from coffee roasting.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Board and the revenue can be reliably measured, regardless of when payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates and Value Added Tax. Income from other sources is recognized on accrual basis of accounting only when it is probable that the economic benefits associated with the transaction will flow to the Board.

(e) Property, plant and equipment

Property, plant and equipment of the Board consist of Land, Buildings, Motor vehicles, Plant and machinery, Office fixtures and furniture, Computer



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equipment and accessories. They are recognized in the books of accounts when it is probable that future economic benefits or service potential associated with an item will flow to an entity and the cost or fair value of an item can be measured reliably.

They are all initially measured at costs or fair value at the date of acquisition for those acquired through non-exchange transactions. The costs include purchase price which include import duties, non-refundable purchase taxes after deducting trade discounts and rebates, any costs incurred in bringing asset to the location and condition necessary for it to be capable of operating in the manner intended and any estimate of the costs of dismantling and removing the item and restoring the site in which it is located.

Subsequently the major renovation costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when they met recognition criteria. All other repairs and maintenance are included in the surplus or deficit of the period in which they are incurred. Below is the list of classes and applicable accounting basis.

Buildings

The buildings consist of office buildings and Godowns at Tanga Branch. Buildings (other than investment properties) acquired or constructed by the Board are recognised at cost on initial recognition and subsequently subject to assessment of impairment. Depreciation is calculated on straight-line basis over the useful life of the buildings. The buildings have useful life of fifty (50) years.

The buildings that are being constructed or developed for future use as investment property is classified as Work In Progress and stated at cost until construction or development is complete, at which time it is reclassified as investment property.

Motor vehicles

The Motor vehicles are measured at costs less accumulated depreciation. The depreciation is calculated on straight line basis over their useful life. All items under this class have useful life of five (5) years.

Plant and machinery

The Plant and Machinery are measured at costs less accumulated depreciation. The depreciation is calculated on straight line basis over their useful life. All items under this class have useful life of fifteen (15) years.

Office fixtures and furniture



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The office fixtures and furniture are measured at costs less accumulated depreciation. The depreciation is calculated on straight line basis over their useful life. All items under this class have useful life of five (5) years.

Computer equipment and accessories

The office fixtures and furniture are measured at costs less accumulated depreciation. The depreciation is calculated on straight line basis over their useful life. All items under this class have useful life of four (4) years.

Investment Properties

Investment property is property which is held either to earn rental income or for capital appreciation; or for both. Based on use, the Board resolved to classify 80% of Kahawa House and 100% of Tangagodowns and offices thereto as investment property. Investment properties are initially measured at its costs which included purchase price and directly attributable expenditure or at fair value when acquired through non-exchange transactions.

After initial recognition the board chooses the cost model and shall measure all of its investment properties in accordance with IPSAS 17's requirements for that model that is at cost less any accumulated depreciation and any accumulated impairment losses. The investment property is derecognized from the statements of financial position on disposal or when it is permanently withdrawn from its use and no future economic benefits or service potential associated with item is expected from its disposal. Gains and losses arising from the disposal of the investments are determined by comparing net disposal proceeds to the carrying amount of the asset and shall be recognized in the surplus or deficit in the year of disposal.

(f) Inventories

The inventories of the Board are composed of stationaries, raw materials and packing materials. Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its value at the date of acquisition.

Subsequently, Inventory is measured at the lower of cost and net realisable value. Net realisable value refers to the net amount the Board expects to realize from the sale of inventory in the ordinary course of operations. Cost includes purchase price, costs of conversation and costs incurred in bringing the inventories in the current position and location. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Board.

(g) Impairment of cash generating assets



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

Impairment is recognized when there are decline in future economic benefits or service potential embodied in the asset controlled by the Board. The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Board estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units' (CGU) fair value less costs to sell and its value in use. It is determined on individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. The value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

The asset is impaired when its carrying amount exceeds its recoverable amount; the carrying value shall be reduced to its recoverable amount. The reduction is an impairment loss which is recognized directly in the surplus or deficit of the year. The impairment loss on the revalued asset is recognized in the revaluation surplus to the extent that the impairment loss does not exceed the amount in the revaluation surplus of the assets.

The reversal of impairment loss is done if and only If there is change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognized. Any reversal of the impairment loss for an asset is recognized immediately in surplus or deficit of the year while in case of revalued asset the reversal of impairment loss is recognized as increase in revaluation.

(h) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Board determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Board commits to purchase or sell the asset. The Board's financial assets include: cash and cash equivalents and Trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification;

I. Cash and cash equivalents



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Cash and cash equivalents consist of cash in hand, balances with Banks and investment in money market instruments. Cash equivalents are normally held for the purpose of meeting short term cash commitments rather than for investment or other purposes. An investment is recognized as cash equivalent when it has short term maturity period (three or less than three months from the date of acquisition) and can be readily convertible into known amount of cash and be subject to insignificant risks of changes in value. Cash and cash equivalent included in the Cash flow statement comprises of cash in hand and balances with banks and they are stated in the Statement of Financial Position at face value.

II. Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are amounts due from tenants for leased premises or customers for services performed or goods supplied to them in the ordinary course of business. If collection is expected in one year or less (or in the normal operating capacity cycle of the business), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables that are initially recognized, are measured at fair value which is the transaction price or original invoice price (consideration to be received). Considering that they are expected to be recovered within twelve months, they are not stated at interest rate and the effect of discounting them is immaterial, the trade and other receivables are subsequently measured at the transaction price.

De-recognition of financial assets

The Board derecognizes a financial asset or where applicable, a part of a financial asset or part of a board of similar financial assets when;

- The rights to receive cash flows from the asset have expired or is waived; and
- The Board has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the Board has transferred substantially all the risks and rewards of the asset; or (b) the Board has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Board assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or a group of debtors are experiencing significant financial difficulty;
- Default or delinquency in interest or principal payments;
- The probability that debtors will enter bankruptcy or other financial reorganization; and
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Board first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Board determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

(i) Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

appropriate. The Board determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Board's financial liabilities include Current portion of the long term loan, and trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Long term loans

The long term loans are initially measured at fair value plus the transactions. They are subsequently measured at amortized costs using the effective interest method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less, and If not they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value which is the transaction price and subsequently measured at transaction price which is the invoice price because they are due with short period of time ("less than a year") and do not carry any interest rate.

De-recognition of financial liabilities

A financial liability is derecognized when;

- The obligation under the liability is discharged or cancelled or expires; and
- When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

(j) Cess for Coffee Research



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

Financing of ecology, research and other development programmes in the coffee sector conducted by the Tanzania Coffee Research Institute (TaCRI) is by way of a mandated deduction of 0.375% of the coffee sales proceeds. The Board acts as a collection agent and remits the funds to TaCRI.

(k) Provisions

Provisions are recognized when the Board has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

(l) Employee Benefits

Defined Contribution plan

The Board operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Board pays fixed contributions into a separate entity.

The Board has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. All of the Board's employees are members of the Public Service Social Security Fund (PSSSF) The Employer and Employees contribute 15% and 5% respectively which add-up to the statutory amount of 20%.

The Employer's contribution is fully funded by Government as part of the payroll subvention.

The Board's contributions to the defined contribution scheme are charged to the statement of financial performance in the year to which they relate.

Termination benefits

Termination benefits are recognized as an expense when the Board is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Board has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term benefits



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Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or performance-sharing plans if the Board has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(m) Related parties

The Board regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Board, or vice versa. Members of key management are regarded as related parties and comprise the Director General and Directors of various departments.

(n) Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Board. As a result of the adoption of the accrual basis for budgeting purposes, a separate additional financial statement of comparison of budget and actual amounts is prepared and explanatory comments are provided in the case of variations; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or under spending on line items.

Detailed annual budgets are prepared by management and approved by the Board of Directors.

(o) Taxation

i. Income tax

The Board as the corporate body owned by the Government is not required to pay income tax.

ii. Value Added Tax (VAT)

Some revenue of the Board is taxable VAT. Revenues, expenses and assets are recognised at amounts net of value added tax except where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority in which case the value added tax is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Board's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. **Judgments**

In the process of applying the Board's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Board based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Board. Such changes are reflected in the assumptions when they occur.

Useful life of Property, Plant, Equipment and Intangible assets

Critical estimates are made by the Directors in determining the useful lives of Plant, property and equipment and their residual values. The rates are set out in note 10) below. However, the Management is aware of the Circular No. 2 of 2017/18 (from the Accountant General) and Circular No. 6 of 2018/19 (from the TR) on the useful lives supposed to be applied and same has been implemented.

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Board;
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- The nature of the processes in which the asset is deployed;
- Availability of funding to replace the asset; and
- Changes in the market in relation to the asset.

Impairment of non-financial assets - cash-generating assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then impact management's estimations and require a material adjustment to the carrying value of tangible assets.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

4. FINANCIAL RISK MANAGEMENT

The Board's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk and the effects of changes in foreign currency exchange rates.

These risks arise in the normal course of the Board's operations. The risk management policies are established to identify and analyses the risks faced by the Board, to set appropriate risk limits and controls, and to monitor adherence to risk limits. The policies are reviewed regularly to reflect changes in market conditions, products and services offered.

The directors are responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risk faced by the Board.

The information about Board's exposure to these risks including policies and processes for measuring and managing risks and Board's management of capital have been analysed below. Further the quantitative disclosures are included throughout these financial statements.

Credit risk

Credit risk is the risk of financial loss to the Board if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Board's trade and other receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 30 June 2022 was as follows:

	30 th June2022	30 th June2021
	TZS'000	TZS'000
Bank Balances	1,719,787	783,837
Trade and Other Receivables	3,803,749	4,504,423



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

Maximum exposure to credit risk	<u>5,523,536</u>	<u>5,288,260</u>
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No collateral is held for any of the above assets and no receivables have had their terms renegotiated.

Credit quality

Credit quality is assessed risk of default attached to counterparties to which the Board extends credit and banks where the Board make its deposits. As such, the credit quality assessed extends to the customers and banks of the Board.

For financial statement purposes, the balances with banks are limited to the cash and cash equivalents line item in the statement of financial position.

(a) Trade receivables

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review.

Trade receivables are amounts owed by customers, and are presented net of impairment losses. The exposure to credit risk is monitored on an on-going basis. The Board provides services without recourse to an assessment of creditworthiness. There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review.

The Board's maximum exposure to credit risk is represented by the carrying value of each class of financial asset in the statement of financial position. The Board has no significant concentration of credit risk, with exposure spread over a large number of customers, and is not concentrated in any particular sector or geographic area. The Board established an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

The Board provided fully for trade receivables outstanding over 365 days where there was no evidence of expected recovery. Trade receivables up to 365 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience. The amount indicated in the category of between 1 and 2 years below, relates to pending legal proceeds relating to fraudulent events committed in the year 16/17 and part of year 17/18 of which management is optimistic that they will recover the amount.

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The credit quality of the balances of Trade and other receivables by aging analysis is analysed below:

	Less than 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years
	TZS'000	TZS'000	TZS'000	TZS'000
At 30th June, 2022				
Trade and other receivables	1,298,935	-	645,956	1,858,858
At 30th June, 2021				
Trade and other receivables	2,181,926	-	2,322,497	-

(b) Cash and cash equivalents

The Board limits its exposure to credit risk by investing cash and cash equivalents with only reputable banks that have a sound credit rating. Consequently, the Group does not consider there to be any significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk of the Board not being able to meet its obligations as they fall due. The Board's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Board's reputation.

The Board ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts. Generally, Receivables are settled within 30 days after the due date and payables are settled within 30 days of invoice.

The following are contractual liabilities as at 30 June 2022

	<i>Less than 1 year</i>	<i>Above 1 year</i>
	TZS'000	TZS'000
At 30th June, 2022		
Borrowings	-	-
Trade and other payables	966,134	431,997

At 30th June, 2021



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

Trade and other payables	677,676	113,1641
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Management monitors budgets of the Board's liquidity reserve on the basis of expected cash flows.

Market risk

Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the Board's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk.

i. Foreign exchange rate risk

The Board is exposed to foreign exchange rate risk through some customers who are billed on foreign currencies. The Board manages any material direct exposure to foreign exchange rate risk by entering used fixed exchange rate to significant customers. However, this exposure does not result in a significant risk as foreign currency assets and liabilities are normally settled within a fairly short time.

ii. Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board does not have long-term deposits or borrowings, therefore statement of financial performance and operating cash flows are not highly affected by changes in market interest rates.

Capital risk management

The primary objective of managing the Board's capital is to ensure that there is sufficient cash available to support the Board's funding requirements, including capital expenditure, to ensure that the Board remains financially sound. The Board manages its capital by ensuring surplus is created through monitoring of expenditure so that reserve can be available to meet the capital expenditure.

5. CASH AND CASH EQUIVALENTS

	30 JUNE 2022	30th JUNE 2021
	TZS "000"	TZS "000"
Cash on hand	492	110

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Cash at bank (Note a)	1,719,386	783,727
	1,719,878	783,837

Note a - Bank Balances

BOT USD & TZS Accts	57,334	136,348
CRDB Coffee Proceeds Acct No. 01J1038896702 and 02J1038998901, 02J1038998900	920,920	95,805
CRDB Other Accounts No 903, 707, 708, 709 and 710	117,046	338,383
NMB USD and TZS Account	582,676	162,691
NBC Ltd Acc No. 17103002621	41,410	50,500
	1,719,386	783,727

6. TRADE AND OTHER RECEIVABLES

	30 JUNE 2022	30 JUNE 2021 TZS "000"
Trade Receivables from Exchange Transactions	3,058,658	3,453,216
Staff Debtors	169,097	219,794
Other Receivables	648,758	904,177
Total	3,876,513	4,577,187
Less: Provision for doubtful debts	(72,764)	(72,764)
	3,803,749	4,504,423

7. INVENTORIES

General stocks	37,482	16,330
Stock of raw materials	9,157	35,848
	46,639	52,178

8. INVESTMENT PROPERTIES

The fair value of the investment properties at the end of the year have been shown below;

As at 1 July 2021	11,533,095	11,437,262
Additions during the year - Work in Progress	860,752	324,578
Depreciation	(228,745)	(228,745)
As at 30 June 2022	12,165,102	11,533,095

Investment Property is the Board's building located at Moshi Municipal in Kilimanjaro region, the building is partly held to earn rentals (Investment



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Property) and partly used for administrative purpose (PPE) and that, Investment property is subsequently measured at revalued amount. The Investment Property has a fair value of TZS'00012,165,102. The rental revenue for the year ended 30 June 2022 was TZS 421,362 (2020/21: TZS 418,656).

The addition of TZS'000 860,752 as at 30 June 2022 is Work In Progress for the Board's Building which is under construction at Njedengwa Dodoma. The construction started in January 2021, of which after completion it will be TCB's investment center.

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9. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Motor Vehicles	Plant & Machinery	Furniture and Fixtures	Office Equipment	Total
	TZS "000"	TZS "000"	TZS"000"	TZS"000"	TZS "000"	TZS "000"	TZS "000"
Rate	0	50	5	15	5	5	
Cost / Valuation							
As at 1 July 2021	17,296,343	4,001,943	380,500	221,545	177,023	219,146	22,296,499
Additions	-	-	184,694	-	16,312	36,098	237,104
WIP: Renovation of TCB Houses	-	105,853	-	-	-	-	105,853
As at 30 June 2022	17,296,343	4,107,796	565,194	221,545	193,335	255,244	22,639,456
Accumulated Depreciation							
As at 1 July 2021	-	(850,995)	(152,200)	(23,361)	(80,396)	(119,690)	(1,226,642)
Charge for the period	-	(63,019)	(82,600)	(13,212)	(23,821)	(35,936)	(218,588)
Prior Year Adjustment	-	-	-	-	10,529	48,857	59,386
At 30 June 2022	-	(914,014)	(234,800)	(36,573)	(93,688)	(106,769)	(1,385,844)
Net book value							
As at 30 June 2022	17,296,343	3,193,781	330,395	184,972	99,647	148,475	21,253,612



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

	Land	Building	Motor Vehicles	Plant & Machinery	Furniture and Fixtures	Office Equipment	Total
Rate	TZS "000"	TZS "000"	TZS "000"	TZS "000"	TZS "000"	TZS "000"	TZS "000"
Cost / Valuation							
As at 1 July 2020	17,296,343	3,956,147	380,500	142,098	226,525	534,976	22,536,589
Additions	-	45,795	-	79,447	5,280	32,660	163,182
Prior Year Adjustments	-	-	-	-	(54,782)	(348,490)	(403,272)
As at 30 June 2021	17,296,343	4,001,942	380,500	221,545	177,023	219,146	22,296,499
Accumulated Depreciation							
As at 1 July 2020	-	(771,746)	(76,100)	(9,474)	(45,305)	(129,250)	(1,031,875)
Charge for the period	-	(79,250)	(76,100)	(13,887)	(35,091)	(40,481)	(244,808)
Prior Year Adjustment	-	-	-	-	-	50,041	50,041
At 30 June 2021	-	(850,996)	(152,200)	(23,361)	(80,396)	(119,690)	(1,226,643)
Net book value							
As at 30 June 2021	17,296,343	3,150,946	228,300	198,185	96,627	99,455	21,069,856

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

10. INTANGIBLE ASSET

	SAGE Evolution	Auction System	Total
	TZS "000"	TZS "000"	TZS "000"
Cost / Valuation			
At 1 July 2021	48,790	57,677	106,467
Additions	-		
Revaluation gain	-	-	-
At 30 June 2022	48,790	57,677	106,467
Accumulated Amortization			
At 1 July 2021	13,940	16,079	30,019
***Charge for the period	6,970	8,240	15,210
At 30 June 2022	20,910	24,319	45,229
Net book value			
As at 30 June 2022	27,880	33,358	61,238

	SAGE Evolution	Auction System	Total
	TZS "000"	TZS "000"	TZS "000"
Cost / Valuation			
At 1 July 2020	48,790	54,877	103,667
Additions	-	2,800	2,800
Revaluation gain	-	-	-
At 30 June 2021	48,790	57,677	106,467
Accumulated Amortization			
At 1 July 2020	6,970	7,840	14,810
***Charge for the period	6,970	8,239	15,209
At 30 June 2020	13,940	16,079	30,019
Net book value			
As at 30 June 2021	34,850	41,598	76,448

***Intangible assets have been assessed to have a finite useful lives of 7 years each. Intangible assets are amortized over the useful economic life and assessed for impairment annually whether there is any indication that the intangible asset may be impaired.



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

11. TRADE AND OTHER PAYABLES

	30 JUNE 2022	30 JUNE 2021
	TZS "000"	TZS "000"
Trade Creditors	193,965	196,323
***District Councils (Cess)	117,971	113,163
Other Creditors	1,086,195	481,354
	1,398,131	790,840

***District Councils cess are the levies charged by District Councils on farm gate price. Tanzania Coffee board collects the amounts on behalf of districts

12. PROVISIONS

Audit	66,420	59,400
	66,420	59,400

The amount of Audit fee provided in the financial year 2021/22 is the new audit fee proposed by the external auditor based on the man hour charge out rates issued by NBAA which are jointly agreed by the auditor and the management of the Board.

13. CAPITAL FUND

	30 JUNE 2022	30 JUNE 2021
	TZS'000	TZS'000
Authorised Share Capital:		
1,500,000 Ordinary Shares of TZS 100 each	150,000	150,000
Issued and Fully Paid Up		
1,500,000 Ordinary shares of TZS 100 each	150,000	150,000
Treasury contribution	161,332	161,332
	161,332	161,332
Total Capital Fund	311,332	311,332

14. GOVERNMENT SUBVENTION

	30 JUNE 2022	30 JUNE 2021
	TZS "000"	TZS "000"
Personnel emoluments	1,218,465	1,078,193
Other charges	-	60,632
	1,218,465	1,138,825

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

15. EXPORTERS CONTRIBUTION

Gross revenue	3,834,688	2,580,428
	3,834,688	2,580,428

16. REGULATORY REVENUE

Gross Revenue	117,143	95,405
	117,143	95,405

17. WAREHOUSE AND GODOWN REVENUE

Gross Revenue (Tanga and Dar es Salaam)	541,320	549,248
	541,320	549,248

18. CLEARING AND FORWARDING REVENUE

Gross Revenue	1,024,447	789,121
	1,024,447	789,121

19. RENTAL REVENUE

Rental Income from Public Entities	238,617	233,789
Rental Income from Private Entities	182,745	184,867
	421,362	418,656

20. REVENUE FROM COFFEE ROASTING UNIT

Gross Revenue	386,875	243,436
	386,875	243,436

Coffee Roasting Unit(CRU)is a unit within Tanzania Coffee Board which deals with promotion as well as marketing of Tanzanian roasted coffee within the country, the amount represents the total collection from this unit for the year ended 30th June 2022.

21. OTHER REVENUE

Gain/(Loss) on Exchange rate	4,617	5,468
Currency Charges Commission	103,785	92,081
Income Received from TCDTF	615,877	-
Sample charges, Local roasting, import fees and conference fees	67,661	105,432
	791,940	202,981



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

22. ADMINISTRATION EXPENSES

	30 JUNE 2022	30 JUNE 2021
OPERATING EXPENSES	TZS "000"	TZS "000"
Depreciation	218,588	244,808
Donations and Condolence	19,905	9,208
Gift and Prizes	33,182	105,135
Office consumables	75,318	78,226
Computer supplies and accessories	7,071	723
Newspapers and Magazines	2,412	16,030
Printing and photocopying	116	985
Outsourcing Costs	1,050,477	354,244
Petrol	-	120
Diesel	128,456	91,693
Conference Facilities	12,211	27,657
Internet and Email connections	25,248	26,300
Posts and Telegraphs	16,831	12,711
Courier Services	-	89
Telephone Charges to Government Entities	7,041	5,054
Telephone Charges to Private Entities	-	-
Fertilizer	8,292	-
Mobile Charges	31,178	27,753
Publicity	15,565	613
News Services Fees	-	-
Remuneration of instructors	12,467	-
Entertainment	111,737	92,828
Agricultural Chemicals	62,728	63,262
Plumbing Supplies and Fixtures	36,087	29,959
Insurance Expenses	42,771	44,160
Electrical and Other Cabling Materials	36,681	4,672
Motor Vehicles and Water Craft	53,745	54,860
Tyres and Batteries	14,041	9,527
Mechanical electrical and electronic spare parts	24,003	10,110
Computers printers, scanners and other	-	6,610
Legal Unit	-	9,254
Consultancy fees	51,399	59,363
Field allowance	63,823	21,787
Honoraria	42,605	86,317
Air travel tickets domestic	38,839	67,727

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

	30 JUNE 2022	30 JUNE 2021
OPERATING EXPENSES	TZS "000"	TZS "000"
Per Diems-Domestic	665,335	485,591
Subsistence allowance	15,969	4,876
Responsibility allowance	68,589	70,431
Laboratory supplies	1,332	2,860
Special Uniforms and Clothing	2,281	4,250
Special Allowance	147,840	109,346
Telephone Allowance	4,423	4,330
Taxes Levied by another Level of Government	45,308	15,197
Sundry Expenses	9,461	1,186
Professional allowance	35,340	-
Tuition Fees	36,414	11,973
Books and Reference	155	1,000
Visa application fees	3,499	-
Court Attire	1,000	-
Paint and Weather Protection	5,664	-
Roofing Materials	-	453
Research and Dissertation	8,721	-
Household appliance	3,800	-
Furniture	-	69,897
Staff costs (Note 23A) below	2,265,646	1,959,403
Water Charges	33,189	23,066
Fumigation	2,798	1,775
Outsource Maintenance contract service	-	52,450
Electricity	69,270	39,197
Contribution to CF	12,500	-
Mechanical Electrical and Electronic Spare Parts	-	10,176
Laundry and Cleaning	-	200
Seedlings	675,480	539,640
Other Gas	16,878	5,453
Amortization	15,210	15,210
Depreciation of Investment Property	228,745	228,745
	6,617,664	5,218,490



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

STAFF COSTS(A)	30 JUNE 2022 TZS "000"	30 JUNE 2021 TZS "000"
Acting Allowance	19,593	11,703
WCF Employer	5,113	4,555
NHIF & PSSSF employers' contribution	184,073	159,355
Gratuities	42,742	-
Extra Duty	232,591.50	195,500
Risk Allowance	900	1,650
Sitting allowance	100,355	55,320
Housing allowance	114,183	106,443
Leave Travel	9,565	86,737
Food and Refreshments	149,082	83,041
Special Foods HIV/AIDS	2,845	-
Uniforms	3,330	6,547
Medical and Dental Refunds	27,250	7,249
Staff training	-	31,640
Transport Assistance	151,767	143,837
Ground travel	102,043	48,672
Civil Servants Salaries	1,022,627	911,288
Training Materials	-	500
Moving Expenses	36,719	11,596
Non Civil Servants Contracts	60,867	93,770
	2,265,646	1,959,403

23. SELLING AND DISTRIBUTION COSTS

	30 JUNE 2022 TZS "000"	30 JUNE 2021 TZS "000"
Tents and Camp Equipment	-	2,450
Subscription Fees	50,627	36,420
Educational Radio and TV broadcasting	640	850
Exhibition Festivals and Celebrations	56,819	36,214
Air Travel Tickets foreign	70,305	-
Per Diems-Foreign	154,106	-
Rent - Office Accommodation	302,888	10,554
Agricultural Implements	1,210	-
CRU Sales Expenses	264,878	167,057
Advertising and Publication	41,856	16,610
Casual Labours	467,836	289,476
Cement Bricks and Building Materials	3,752	4,069
Warehousing	66,256	90,509
	1,481,173	654,209

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

24. FINANCE CHARGES

Bank Charges and Commissions	28,988	15,971
	28,988	15,971

25. OTHER EXPENSES

Audit Fees to Private Entities	61,812	54,000
Audit Fees to CAG	5,100	5,400
Director's Fees	58,000	9,000
	124,912	68,400

26. RELATED PARTIES TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. A related party relationship exists between TCB and the key management team and members of the Board of Directors.

S/N	DETAILS	30TH JUNE 2022 TZS "000"	30TH JUNE 2021 TZS "000"
1	Directors' fees	58,000	9,000
	Sub Total	58,000	9,000
2	Remuneration to Key Management Personnel	104,430	162,300
	Sub Total	162,430	162,300
	GRAND TOTAL	162,430	171,300

27. CAPITAL COMMITMENTS

Regulation No. 21 (2) of Budget Regulation 2015 requires unliquidated contractual commitments (LPOs) issued for Services/Goods during the year and for which delivery of goods or performance of services have not been done as at the end of financial year to be carried forward to the next financial year in which payments will be made after Goods/Services have been received.

As at 30th June 2022, the Board had unliquidated commitments (Open LPOs) for construction of Njedengwa Investment project which was not finalized by the end of the financial year 2021/2022.



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

28. COMPARATIVE FIGURES

Previous year's figures have been regrouped wherever considered necessary in order to make them comparable with current year's figures. Included as prior year adjustments (TZS'000 332,567) is amount related to various transactions as analysed below:

Prior Year adjustment Analysis

	30 June 2022
	TZS "000"
Overstatement of Songea District Balance	(36,916)
Adjustments of MCCCCO Balance	(15,147)
Adjustments of Inventory balance - Tanga	(6,241)
The difference between provision of audit fees and actual paid	(7,020)
Adjustment of TCDTFOutstanding Balance	338,281
Stale Cheque HQ	4,500
Withholding Tax Adjusrments	(40,348)
Consultancy fees - Njendengwa Investment Centre FY 2020/2021	16,455
Adjustments Accumulated depreciation - Furniture and fittings 2020/2021	10,529
Adjustments Accumulated depreciation - Office Equipments 2020/2021	48,857
Net effect of Account payable balance adjustments due to wrong posting in prior years	19,617
TOTAL	332,567

29. OWNER OF THE BOARD

The Government of the United Republic of Tanzania is the ultimate owner of the Tanzania Coffee Board.

30. EVENTS AFTER REPORTING PERIOD

These are events which occur between the reporting date and the date when the financial statements are approved for issue. These events may require adjustments depending on whether conditions existed at the reporting date or after the reporting date.

There were no other events after the reporting period which require adjustment or disclosure in the financial statements.

31. AUTHORIZATION FOR ISSUE

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

The financial statements of the Board have been authorised for issue by the Board of Directors in March 2023.

32. RECONCILIATION BETWEEN SURPLUS/DEFICIT PER STATEMENT OF BUDGET AND ACTUAL TO THAT OF STATEMENT OF FINANCIAL PERFORMANCE

The budget and the accounting bases differ. The financial statements of the Tanzania coffee Board are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. Re-casted amounts are as follows:

Item	Final Budget TZS "000"	Statement of financial Performance (A) TZS "000"	Reconciling items (B)		Statement of budget Vs actual (and cash flow statement) (A)+ or -(B) TZS "000"
			DR (+) TZS "000"	CR (-) TZS "000"	
PE	1,344,660	1,218,465	-	-	1,218,465
Own Source	9,267,900	7,117,775	4,617	217,725	7,330,883
Administration expenses	6,234,948	6,617,664	185,939	462,543	6,341,060
Selling and Distribution	4,170,912	1,481,173	-	-	1,481,173
Finance Charges	39,700	28,988	-	-	28,988
Other Expenses	167,000	124,912	59,400	66,420	117,892

Details for the reconciling items

- Non cash items Gain/(Loss) Loss on Exchange Transactions TZS '000 4,617 for the year under review. Net movement of receivables of TZS '000 217,725 during the year.
- Non cash items Depreciation of Tangible Asset Note 8 & 9 TZS '000 TZS 447,333 and amortization of Intangible Asset Note 10 TZS '000 15,210 and net effect of prior year payments and accrued expenses of TZS '000 185,939
- Movement in other expenses was caused by provision of audit fees of TZS '000 59,400.

33. EXPLANATION FOR THE DIFFERENCE BETWEEN BUDGET AND ACTUAL



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

• Revenue

Government Subvention the difference of TZS 126.195 Million is due to funds not received from the government.

Own Source the difference of TZS 245.259 Million is due to increase in the price of coffee in the world market. There was amount of other income of TZS 615.877 Million received from the defunct TCDTF. Also the difference is attributed to unrealistic budgeting.

Government Exchequer difference of TZS 2.4 Billion was due to funds budgeted for construction of office building at Njendengwa Dodoma not disbursed.

• Expenditure

The difference of TZS 79.827 Million under Administration Expenses is due to reallocation of funds for Dodoma Investment Centre as government did not release development funds. .

The difference of TZS 2.689 Billion under Selling and Distribution is due to the fact that the Board could not collect adequate funds from own sources of income.

34. RECONCILIATION OF DIFFERENCES BETWEEN DEFICIT /SURPLUS ON THE STATEMENT OF FINANCIAL PERFORMANCE AND THE NET CASH FLOW FROM OPERATING ACTIVITIES

CASHFLOW FROM OPERATING ACTIVITIES

DESCRIPTION	AMOUNT IN TZS '000
Surplus/(Deficit) for the year	83,503
ADJUSTMENT OF NON CASH ITEMS	
Depreciation Charges for the year	447,333
Amortization of Intangible assets for the year	15,210
Gain /(Loss) on Exchange	(4,617)
CHANGES IN WORKING CAPITAL	
(Increase)/Decrease in Trade and Other Receivables	696,174
Increase/(Decrease) in Trade and other Payables	611,791
(Increase)/Decrease in Inventory	5,539
Increase/(Decrease) in Provisions	7,020
Net Cashflow from operating activities	1,861,953

The difference of TZS '000 73,752 between net cashflow from operating activities of TZS 1,861,953 in this note and that of the statement of cashflows of TZS 1,788,201 is due to unreconciled items in the Coffee Auction Proceeds Reconciliation.

35. CASH FLOW RECONCILIATION



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

RECEIPTS

35.1 OTHER OWN SOURCE REVENUE

Regulatory Revenue	117,143
Warehouse and Godown Revenue	541,320
Clearing and Forwarding Revenue	1,024,447
Rental Revenue	421,362
Revenue from Coffee Roasting Unit	386,875
Other Revenue	791,940
Gain/(Loss) on Exchange	(4,617)
Add: Receivables 2020/2021	2,090,685
Less: Receivables 2021/2022	1,872,960
Total	3,496,195

35.2 ADMINISTRATION EXPENSES

Administrative Expenses	6,617,664
Amortization of Intangible Assets for the year	15,210
Depreciation charge for the year	447,333
Add: Payables 2020/2021	521,249
Less: Payables 2021/2022	335,310
Total	6,341,060

35.3 OTHER EXPENSES

Other Expenses	124,912
Add: Provisions 2020/2021	59,400
Less: Provisions 2020/2021	66,420
Total	117,892

36. PROCEEDS AND PAYMENT ON COFFEE AUCTION



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

Part II sect 5(2d) of the Tanzania Coffee Industry Act of 2001(revised in 2009) has given mandate to TCB to conduct coffee auctions,however the proceeds and payment relating to coffee auctions does not form part of TCB revenue and expenses hence do not qualify to be included in the statement of financial performance, since the cash,receivable and payable balances of coffee auction affairs is managed by TCB and included in the Statement of Financial position it necessitate that cash balance,proceeds and payment for coffee auction to be included in the Statement of Cash flow. The table below shows coffee auction proceeds and payments as follows:

DESCRIPTION	NOTE	AMOUNT IN TZS '000
RECEIPTS (A)		
Coffee Proceeds received from Coffee Auction		172,289,145
Add: Receivable 2020/2021		2,413,738
Less: Receivable 2021/2022		2,003,552
Total		172,699,331
PAYMENTS (B)		
Payments for Coffee Auction		172,284,595
Add: Payables 2020/2021		269,591
Less: Payables 2021/2022		1,062,821
Total		171,491,365
Variance (A-B)		1,207,966
RECONCILING ITEMS		
Bank Balance (900)		175,787
Bank Balance 201		101,395
Recoveriesthrough DPP		322,544
CRDB Coffee Proceeds - Kagera Auction		643,319
Total		1,243,045
***Unreconciled items		(35,079)

***The unreconciled items of TZS '000 35,079 are unreconciled proceeds from coffee auction sales.

Taming Bureaucracy & Fraud

EFFECTIVE STAFF ENGAGEMENT AND PROPER PLANNING

TCB recorded 77% of the estimated revenue collections from own sources, an increase of 38.52% in revenue collection and overall activity implementation at 98% (compared to the previous financial year) thanks to effective staff engagement, proper budget planning, execution, monitoring and evaluation.



Mr. Godfrey K. France

TRANSPARENCY & HIGH STANDARDS OF ETHICAL PRACTICES

Transparency, cost effective sourcing of goods led to enhanced compliance with procurement regulations mitigating the risk associated with non-compliance, streamlined procurement procedures and reduced procurement cycle times. The construction of the TCB building in Dodoma reached 89%. Use of TANEPS procurement system yielded 100% per our Annual Procurement Plan. **We remain solidly resolute in pushing for higher standards of ethical procurement practices.**



Mr. Solis W. Kapinga

ATTRACTING MORE BUYERS AND ENHANCING THE REMUNERATION OF OUR COFFEE

Accomplishment of the automation of physical coffee Auction to digital exchange (pilot basis) in Kagera in 2021/22 made easier and faster shared auction information, minimizing operational costs, improved efficiency, attracted more buyers as well as vastly increased the remunerative power of our coffee among many other positive impacts. The milestone innovation has been earmarked for implementation in the other coffee areas viz; Moshi, Mbinga - Ruvuma and Songwe.



Mr. Albert Minja

TAMING FRAUD AND INCOMPETENCE

Aware of the importance of proper financial reporting, TCB has recently placed special focus of its audit exercise on high-risk areas, including especially, financial reporting and compliance with laws and regulations.

Work has been underway (for some time) at improving our internal control system, reduced risk of fraud and other financial irregularities, as well as improving the efficiency and effectiveness of our public service delivery programs.



Mr. Silas Singili



LIVING UP TO THE TALL REQUIREMENTS OF OUR LEGAL MANDATE

During the year ended June 30th 2022 there were no pending legal wrangles at TCB.



Ms. Engerasia A. Mongi

PROPELLING OUR COFFEE VALUE ADDITION

Growing awareness of the great yet, untapped domestic potential has become a powerful driving force in our latest initiative to raise the number of our coffee consumers. In our value addition promotion drive, we have increased the number of coffee roasting companies to 37 in 2023 from 22 in 2011 raising our optimism of catapulting our local rates to 15% at the end 2025 from the current 7%.

We do this by; formalizing & training local vendors (Ghahwa sellers) - best and hygienical practices, promoting coffee drinking in our universities, (UDSM, Mzumbe, SUA & UDOM, (to begin with) encourage opening of Cafes in our Cities and towns, designing and promoting mobile coffee shops in many possible areas of the country, and engage vigorously in promoting consumption in such fora as Nane Nane and Saba Saba events. Our TCB blends – respectively include; Kilele, Twiga and Ghahawa (AA), (PB), (UG & F) grades.



Ms. Naishoki P. Lucumay

Our TCB blends – respectively include; Kilele, Twiga and Ghahawa (AA), (PB), (UG & F) grades.



TWIGA BLEND



GAHAWA BLEND



KILELE BLEND

STAFF MATTERS



Primus Kimaryo appointed new TCB Director General. Prior to his new appointment he served in the capacity of *TCB Director of Coffee Quality and Promotions* as well as acting TCB Director General from time to time for years.



He succeeds **Professor Jamal Katundu** who was earlier appointed Deputy Permanent Secretary and thereafter Permanent Secretary in the Prime Minister's Office - PMO (Labor, Youth, Employment and Persons with disability).

Other developments included one appointment and a mandatory retirement;



Mr Peter J Mollel appointed TCB Director of Finance and Administrations



Mr Simon Godson Macha - coffee liquorer at TCB from 1987 - retired as senior quality Management Officer December 2021.



TCB Directory 2022

A. WAREHOUSE LICENCES

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
1	M/s. Amir Hamza (T) Limited, P.O. Box 617, BUKOBA	aminza@yahoo.com	028 – 2220999
2	United Youth Shipping Co. Ltd, P.O. Box 372, DAR ES SALAAM	nitesh@uyscl.com	022 2134359
3	M/s. Dorman Tanzania Limited, P.O. Box 4332, DAR ES SALAAM	Administrator.moshi-tz@dormanscoffee.com	022 - 2126149
4	M/s. Loius Dreyfus Commodities (T) Limited, P.O. Box 8736, MOSHI		022 - 2123349
5	M/s. Kagera Co-operative Union (1990) Limited, P.O. Box 8447, MOSHI	kncu@kilinet.com	27 - 50728
6	M/s. Export Trading Company Limited, P.O. Box 102952, DAR ES SALAAM	pranav.joshi@etgworld.com	022 - 2124473 022 - 2124475
7	M/s. Tembo Coffee Company Limited, P.O. Box 2087, MBEYA	pendo@tembocoffee.com	0787 - 813025
8	M/s. Ibero Coffee Trading Company Limited, P.O. Box 50093, DAR ES SALAAM	sk@ngea.co.tz; rr@mzl.ngea.com	0787 - 207022 022 - 2136380
9	Mambo Coffee Co. Ltd, P.O. Box 1991, MOROGORO	info@mambocoffeeafrica.com	0713429926
10	Andrew .P. Kakama& Company Ltd, P.O. Box 43, KARAGWE	apkakama2005@yahoo.com	0754 - 754705 0784 - 754705
11	M/s. Coffee Management Service Limited, P.O. Box 45, MOSHI	administrator.moshi-tz@dormanscoffee.com	27 - 50020 0754 - 470680
12	COTACOF Ltd, P.O. Box 12934, DAR ES SALAAM		0784286677
13	M/s. Asu Company Limited, P.O. Box 94, BUKOBA	sued-bros@yahoo.com	028 - 2220756
14	M/s. Taylor Winch (T) Ltd, P.O. Box 524, MOSHI	twsecretary@taylorwinch.com	027 2751221/2751936
15	Spedag Interfreight (T) Ltd, P.O. Box 9222, DAR ES SALAAM		
16	M/s. Bollore Africa Logistics Tanzania Limited P.O. Box 1683, DAR ES SALAAM	sdv.tanz@bollore.com Mercy.chimtawi@bollore.com	022 - 2401016
17	M/s. Mbinga Coffee Curing Company Limited MBICAFU ONE, P.O. box 127, MBINGA	cmbinga@iwayafrica.com	025-2640132
18	DAN & ASSOCIATES ENT. LTD (BAM CW) P.O. Box 288, MBINGA	info@dae.co.tz	025-2640040
19	M/s. Mbinga Coffee Curing Company Limited Makambako Branch, P.O. Box 1151, MAKAMBAKO	cmakambako@iwayafrica.com	026 - 2730204
20	M/s. TutunzeKahawa Limited, P.O. Box 6999, MOSHI		0753 – 038246
21	M/s. Karagwe Marketing Company Limited, P.O. Box 150, KARAGWE	kcmodtd@ymail.com	0784 - 61002

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
22	KDCU LTD P.O. Box 10116 MOSHI	ltdkdcu@yahoo.com	027-2751910
23	Kaderes Peasant Dev. Plc P.O. Box 84 KARAGWE	alistides.constantine@kpdcoffee.com	
24	Mawenzi Coffee Exporters Ltd P.O. Box 6999 DAR ES SALAAM	CBayerkoehler@ecomtrading.com	
25	M/s. Rumako Agricultural Marketing Co-operative Society Ltd P.O. Box 1054 KIGOMA	kanyovucooperation@gmail.com	0754 - 398252 0755 - 370282
26	Olam (T) Ltd P.O. Box 489 BUKOBA		0763363801

B. GREEN COFFEE EXPORT LICENCES

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
1	Afri Tea and CoffeeBlenders (1963) Ltd, P.O. Box 747, DAR ES SALAAM	teablend@ttb.co.tz	022 2112430
2	M/s. Poa Rice Mills Limited, P.O. Box 10295, DAR ES SALAAM		022 - 2124473 022 - 2124475
3	M/s. Dorman (Tanzania) Limited, P.O. Box 1157, MOSHI	Administrator.moshi-tz@dormanscoffee.com	027 - 2752070 027 - 2751747
4	M/s. Ibero Coffee Trading Company Limited P.O. Box 50093, DAR ES SALAAM		0787 - 20702 022 - 2136380
5	M/s. Mawenzi Coffee Exporters Limited P.O. Box 6999, MOSHI	yateracoffee@yahoo.com mceltd@kicheko.com	027 - 2750665
6	COTACOF Ltd, P.O. Box 12934, DAR ES SALAAM		0784286677
7	M/s. Taylor Winch (T) Limited, P.O. Box 524 MOSHI	twtssecretary@taylorwinch.com	027 - 2751221
8	M/s. Coffee Exporters Limited, P.O. Box 482 ARUSHA	info@edelweisscoffee.com	0754 - 494548 027 - 2502936
9	M/s. Sheriff Dewji& Son Limited, P.O. Box 175, ARUSHA	sheriff@arusha.com sheriff@cybernet.co.tz	25 - 036717 25 - 06918
10	M/s. Loius Dreyfus Commodities (T) Limited, P.O. Box 8736, MOSHI	Alina.Mohammed@ldcom.com	27 - 50878
11	M/s. Mambo Coffee Company Limited, P.O. Box 7689, MOSHI	info@mambocoffeeafrica.com	0783 - 107707 0713 - 429926 0767 - 767708
12	D.R.K General Merchants Ltd, P.O. Box 229, KARAGWE	drkgeneralmerchantsltd@yahoo.com	0752405001
13	Cetco (T) Limited, P.O. Box 1088, MOSHI	ralph@macharecoffee.com	0786 - 723100
14	M/s. Kagera Co-operative Union (1990) Limited, P.O. Box 8447, MOSHI	kcu@yako.habari.co.tz	27 - 50728
15	M/s. Scalable Pace Investments Ltd, P.O. Box 60656, DAR ES SALAAM		0784662200
16	M/s. Kilimanjaro Native Co-operative Union (1984) Ltd, P.O. Box 3032, MOSHI	kncu@kilinet.com	27 - 52785
17	M/s. Karagwe District Co-operative Union Limited, P.O. Box 14, KARAGWE	ltdkdcu@yahoo.com	028 - 2227105
18	Tudeley Estates Limited, P.O. Box 7258, MOSHI		027-2751372



C. ROAST AND GROUND COFFEE EXPORT LICENCES

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
1	M/s. Coffee Exporters (T) Limited, P.O. Box 482, ARUSHA	info@edelweisscoffee.com	0754 - 494548 027 - 2502936
2	Afri Tea and CoffeeBlenders (1963) Ltd, P.O. Box 747, DAR ES SALAAM	teablend@ttb.co.tz	022 2112430
3	M/s. Amir Hamza (T) Limited, P.O. Box 617, BUKOBA	aminza@yahoo.com	028 – 2220999
4	TCB – Cofee Roasting Unity, P.O. Box 732, MOSHI		0272752324
5	M/s. Wildtracks International Company Limited, P.O. Box 615, USA RIVER - ARUSHA		0784 - 420342

D. LOCAL COFFEE ROASTER'S LICENCES

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
1	M/s. Amir Hamza (T) Limited, P.O. Box 617, BUKOBA	aminza@yahoo.com	028 - 2220999
2	M/s. Coffee Exporters (T) Limited, P.O. Box 482, ARUSHA	info@edelweisscoffee.com	0754 - 494548 027 - 2502936
3	Afri Tea and CoffeeBlenders (1963) Ltd, P.O. Box 747 DAR ES SALAAM	teablend@ttb.co.tz	022 2112430
4	M/s. Tanganyika Instant Coffee Company Limited P.O. Box 410 BUKOBA	info@tanicacafe.com	028 - 2220352
5	M/s. Sheriff Dewji& Sons Ltd, P.O. Box 175, ARUSHA		
6	M/s. Choice Coffee Limited, P.O. Box 8605, MOSHI		0762 - 412551 0716 - 513008
7	Dan & Associates Enterprises Ltd, P.O. Box 288, MBINGA	info@dae.co.tz	025 2640040
8	M/s. Kilimanjaro Coffee Dealers (1995) Limited, P.O. Box 7599, MOSHI		27 - 52016 27 - 55086
9	M/s. Utengule Estates Limited, P.O. Box 4509, DAR ES SALAAM	rftvalley@sasamail.co.tz	0754 - 948781
10	M/s. Karumo Investment Company Ltd, P.O. Box 6143, MWANZA		0754-783431
11	M/s. LiboriusGehrken Africa Limited, P.O. Box 2418, ARUSHA	mgehrken@blackburncoffee.com	0754 - 699496
12	M/s. Toku Tanzania Company Limited, P.O. Box 6688, MOSHI	info@toku-tanzania.com	027 - 2751006
13	M/s. Samri Pure Coffee Investment Limited, P.O. Box 70826, DAR ES SALAAM		0713 - 686368
14	M/s. Kimemo Holdings Ltd, P.O. Box 127, ARUSHA	admin@kimemo.co.tz	0789575555
15	M/s. International Quality Foods Limited, P.O. Box 7826, MOSHI	info@magicbean.co.tz shiku35@yahoo.com	27 - 55039 0754 - 919410
16	M/s. Burka Coffee Estate Limited, P.O. Box 90, ARUSHA	edwin.agasso@burkacoffee.com	27 - 2509504
17	M/s. KNCU (1984) Ltd, P.O. Box 3032, MOSHI	kncu@kilinet.co.com	27 - 52785
18	M/s. Wildtracks International Company Limited, P.O. Box 615, USA RIVER - ARUSHA		0784 - 420342

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
19	M/s. El-moghairy Trading Limited, P.O. Box 2212, TANGA	elmoghairy@yahoo.co.uk	0784 - 499188 0784 - 331910 0716 - 048640
20	Inter Fugo Co. Ltd, P.O. Box 15750, DAR ES SALAAM	khalil.t.hamadi@gmail.com	0676000000 or 0784703030

E. DIRECT COFFEE EXPORT LICENCES

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
1	M/s. Tembo Coffee Company Limited, P.O. Box 2087, MBEYA		0787 – 813025
2	Dan & Associates Enterprises Ltd, P.O. Box 288, MBINGA	info@dae.co.tz	025 2640040
3	Ms. Karagwe Estates Limited, P.O. Box 2291, DAR ES SALAAM	kmcoltd@ymail.com titegereize@yahoo.com	022 – 211867 022 – 211861 0784 – 610012
4	M/s. Mara Coffee Limited, P.O. Box 135, TARIME	mara@lintexmara.com simbasuresh@yahoo.com lakshmisuresh@demeter-group.com	028 – 2690081 028 – 2500697
5	Mt. Meru Speciality Coffee Growers Association, P.O. Box 96, USA RIVER - ARUSHA		0754479920
6	M/s. Edelweiss Oldean Estate Limited, P.O. Box 482, ARUSHA	info@edelweisscoffee.com	25 – 02936 25 – 07248
7	M/s. Coffee Management Service Ltd, P.O. Box 45, MOSHI		027-2750020
8	M/s. Shangrila Estate Limited, P.O. Box 21, KARATU – ARUSHA	farmoffice@shangrila-estate.com	025 – 34401
9	Oldean Coffee Estate Ltd, P.O. Box 230, ARUSHA		0754 380234
10	M/s. Tutunze Kahawa Limited, P.O. Box 6999, MOSHI		0753 – 038246
11	M/s. Kilimanjaro Plantation Limited, P.O. Box 976, MOSHI	export@kili-plantation.com	027 – 2758730
12	M/s. Kagera Co-operative Union (1990) Limited, P.O. Box 8447, MOSHI	kcu@yako.habari.com kcu@habari.co.tz	27 – 507728
13	M/s. Export Trading Company Limited, P.O. Box 10295, DAR ES SALAAM	pranav.joshi@etgworld.com	022 – 2124473 022 – 2124475
14	Aviv (T) Limited, P.O. Box 70720, DAR ES SALAAM		0788791165
15	M/s. Nkwenda Rural Primary Cooperative Society Ltd, P.O. Box 168, KARAGWE		0752-905193
16	M/s. Utengule Estate Limited, P.O. Box 139, MBEYA	riftvalley@cats.net.com riftvalley@sasamail.co.tz	025 – 60101 0754 – 948781
17	M/s. African Plantation Kilimanjaro Limited, P.O. Box 6662, MOSHI	admin@apkl.co.tz	0732 – 973679
18	M/s. Kimuli Amcos Limited, P.O. Box 449, MBINGA		0787 – 813025
19	M/s. Association of the Mbinga Premium Coffee Growers Limited, P.O. Box 162, MBINGA		0756 – 085918
20	M/s. Liborius Gehrken Africa Limited, P.O. Box 222, KARATU	m.gehrken@blackburncoffee.com	0754 – 699496
21	Kongeru (T) Ltd, P.O. Box 43, KARAGWE	kongerutanzanialtd@yahoo.com	0715754705



S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
22	M/s. Olam Tanzania Limited, P.O. Box 71062, DAR ES SALAAM		
23	M/s. Kaderes Peasants Development Limited, P.O. Box 84, KARAGWE	kachebonaho@hotmail.com kaderes@africaonline.co.tz	028 – 2227114
24	M/s. KNCU (1984) Ltd, P.O. Box 3032, MOSHI	kncu@kilinet.co.com	27 – 52785
25	Nambawala AMCOs, P.O. Box 90, NYASA - RUVUMA		0782845239
26	M/s. Ngila Estate Limited, P.O. Box 221, KARATU		0754 - 260069
27	M/s. Karagwe District Co-operative Union Limited, P.O. Box 14, KARAGWE	ltdkdccu@yahoo.com bujune109@gmail.com	028 – 2227105
28	Shah Plantation Ltd, P.O. Box 230, ARUSHA		027 250347
29	MlimaniSpeciality Coffee Production Group, P.O. Box 176, USA - RIVER		0754295253
30	M/s. Burka Coffee Estates Limited, P.O. Box 90, ARUSHA	edwin.agasso@burkacoffee.com	27 – 2509504
31	M/s. MahengeAmcos, P.O. Box 518, MBINGA		0755 – 546783
32	M/s. Mondul Coffee Estates Limited, P.O. Box 667, ARUSHA	edwin.agasso@burkacoffee.com	027 – 2509504
33	M/s. Kanyovu Coffee Curing Cooperative Joint Enterprises, P.O. Box 1054, KIGOMA	kanyovucooperation@gmail.com	0755 – 370282 0754 – 398252
34	Kingerikiti AMCOs, P.O. Box 90, NYASA -RUVUMA		0783090571
35	M/s. G32 KNCI-JVE Limited, P.O. Box 7887, MOSHI		027 – 2752808 0754 – 603876
36	M/s. Acacia Hills Company Limited, P.O. Box 13, USA – RIVER	leon@manyatta.co.tz	0784 – 321542
37	TemboTembo Ltd, P.O. Box 13, USA – RIVER		0754 321542
38	M&M Contingent Co. Ltd, P.O. Box 15126, ARUSHA	m&mcontingentl@gmail.com	0754566847
39	M/s. Hasambo Amcos, P.O. Box 240, MBOZI		0754 – 204146
40	MwalyegoAMCOs Ltd, P.O. Box 599, MBEYA		0754-596434 0784-247647
41	UshiriRCS, P.O. Box 205, MKUU - ROMBO		0756641996
42	Tradeland Ltd, P.O. Box 63213, DAR ES SALAAM		0786786257
43	Blue Mountain Coffee Farms Ltd, P.O. Box 1088, MOSHI		0786723100
44	Kiukamu Limited, P.O. Box 339, SAME	ralph@macharecoffee.com	0782-944664
45	Mlimani Ngarash AMCOs, P.O. Box 128, MONDULI – ARUSHA		0684792284

F. HARD ARABICA & ROBUSTA COFFEE PROCESSING LICENCES

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
1	M/s. Amir Hamza (T) Limited, P.O. Box 617, BUKOBA	aminza@yahoo.com	028 – 2220999
2	M/s. Amir Hamza (T) Limited, P.O. Box 617, BUKOBA	aminza@yahoo.com	028 – 2220999
3	Mara Coffee, P.O. Box 135, TARIME	lakshmisuresh.demeter@gmail.com	028 – 2690081 028 – 2500697
4	M/s. Asu Company Limited, P.O. Box 94, BUKOBA	sued_bros@yahoo.com	028 – 2220756

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
5	Iron (2011) Company Ltd, P.O. Box 331, KARAGWE		
6	M/s. Ika Investment (1990) Limited, P.O. Box 288, BUKOBA		
7	Karagwe Marketing Co. Ltd, P.O. Box 150, KARAGWE	kmcoltd@gmail.com	0784 – 610012
8	M/s. Arab Globe International Company Limited, P.O. Box 69, NGARA	arabglobe@yahoo.com salimalmasi2000@yahoo.com	0784 – 345662 0755 – 308015 0767 – 884430
9	M/s. Amiri Amir Al-habasy Limited, P.O. Box 106, KARAGWE	amriamir006@yahoo.com ndayansed@yahoo.com	028 – 2223255 0782 – 901393
10	M/s. Karagwe District Co-operative Union Limited, P.O. Box 14, KARAGWE	ltdkdcu@yahoo.com	028 – 2227105
11	Olam (T) Ltd, P.O. Box 489, BUKOBA		0763363801

G. MILD ARABICA COFFEE PROCESSING LICENCES

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
1	M/s. Coffee Management Service Limited, P.O. Box 45, MOSHI	admin@cms.co.tz	27 – 50020 0754 – 470680
2	M/s. Coffee Management Service Limited, P.O. Box 45, MOSHI	cms.mbozi@gmail.com	27 – 50020 0754 – 470680
3	M/s. City Coffee Limited, P.O. Box 2576, MBEYA	citycoffee@ccl.ngea.com	025 – 2504203 025 – 25043557
4	M/s. City Coffee Limited, P.O. Box 657, MOSHI	rr@mzl.ngea.com	27 – 55022 27 – 55023
5	M/s. Gourmet Coffee Limited, P.O. Box 7337, MOSHI	administrator.moshi-tz@dor-manscoffee.com	027 – 2752070 027 – 2751747
6	Dan & Associates Enterprises Ltd, P.O. Box 288, MBINGA	info@dae.co.tz	025 2640040
7	M/s. Arusha Coffee Mill Limited, P.O. Box 482, ARUSHA	info@edelweisscoffee.com	025 – 02936
8	M/s. Rafiki (Coffee) Limited, P.O. Box 7847, MOSHI	twtssecretary@taylorwinch.com	027 – 2752936
9	M/s. Mbozi Coffee Curing Company Limited, P.O. Box 291, MBOZI	ps-mbozicoffee@iwayafrica.com	0767 – 362201
10	M/s. Kanyovu Coffee Curing Cooperative Joint Enterprises, P.O. Box 1054, KIGOMA	kanyovucooperation@gmail.com	0755 – 370282 0754 – 398252

G. MILD ARABICA COFFEE PROCESSING LICENCES

S/N	COMPANY NAME	EMAIL ADDRESS	TELL NO
1	M/s. Kagera Co-operative Union (1990) Limited, P.O. Box 8447, MOSHI	kcu@yako.habari.co.tz	27 – 507728
2	Afri Tea and CoffeeBlenders (1963) Ltd, P.O. Box 747, DAR ES SALAAM	teablend@ttb.co.tz	022 2112430
3	M/s. Tanganyika Instant Coffee Company Limited, P.O. Box 410, BUKOBA	info@tanicafe.com	028 – 2220352
4	M/s. Amir Hamza (T) Limited, P.O. Box 617, BUKOBA	aminza@yahoo.com	028 – 2220999



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Tanzania Coffee Board

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www.coffeeboard.or.tz

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Moshi, Tanzania.

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Moshi, Kilimanjaro
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FAX. +255 27 275 2026
CELL. +255 756 444 099
info@coffeeboard.or.tz

BRANCHES

1. Dar es Salaam office

THE BRANCH MANAGER
TANZANIA COFFEE BOARD
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Dar es salaam
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tcb.dsm@coffeeboard.or.tz

2. Tanga Office

THE BRANCH MANAGER
TANZNIA COFFEE BAORD
GOFU INDUSTRIAL AREA
P.O BOX 5946, Tanga
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FAX 027 – 2647538
tcb.tanga@coffeebaord.or.tz

REGIONAL OFFICES

1. Kagera Office

THE REGIONAL MANAGER
P.O BOX 938, Bukoba
TEL.028 - 2220557
FAX. 028 - 2220557
tcb.bukoba@coffeeboard.or.tz

2. Mbeya Office

THE REGIONAL MANAGER
P.O BOX 581, Mbeya
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tcb.mbeya@coffeeboard.or.tz

3. Ruvuma Office

THE REGIONAL MANAGER
P.O BOX 710, Songea - Ruvuma
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tcb.songea@coffeeboard.or.tz

4. Mara Office

THE REGIONAL MANAGER
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5. Kigoma Office

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