

NEWS & FEATURES

AGCOT and TADB Forge Strategic Partnership to Boost Soybean and Agribusiness Development in Tanzania

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Dar es Salaam, March 5, 2025 – The Southern Agricultural Growth Corridor of Tanzania (SAGCOT), now transitioning into the Agricultural Growth Corridors of Tanzania (AGCOT), has signed a strategic Memorandum of Understanding (MoU) with the Tanzania Agricultural Development Bank (TADB). The landmark agreement aims to unlock Tanzania’s vast agricultural potential by enhancing agribusiness financing, identifying investible business opportunities, and promoting sustainable agricultural growth.

The signing ceremony at the TADB headquarters marks a new step in bridging financial gaps in agribusiness and strengthening the soybean value chain in Tanzania. The agreement signifies a commitment to boosting smallholder farmer financing, post-harvest management, and value addition to enhance market access and economic growth.

Strengthening the Soybean Value Chain

Speaking after the signing, **Frank Nyabundege, Managing Director of TADB**, emphasized the bank’s commitment to supporting soybean farmers and ensuring the crop reaches its full potential in Tanzania’s agricultural sector.

“Today, we have had the opportunity to sign an agreement between our bank and SAGCOT. This agreement aims to develop the soybean crop, which has great potential in our country. SAGCOT has created opportunities for farmers, producers, and buyers to ensure this crop gains significant momentum.”

Nyabundege elaborated on TADB’s financial commitment, stating that the bank has allocated funds from the Japan International Cooperation Agency (JICA) to support the horticulture and soybean sectors. The funding will primarily benefit smallholder farmers, ensuring they can access capital to improve production and productivity.

“Most soybean farmers are small-scale, and our goal is to provide them with capital to increase production. Additionally, we want to develop infrastructure for storing these crops, such as warehouses and post-harvest facilities, to ensure they retain their value until they reach the market.”

Nyabundege further highlighted the role of soybeans in livestock and aquaculture, noting that soybean cake is an essential protein source for animal feed. “Soybean is critical for poultry and fish farming, and by supporting its value chain, we are also contributing to the livestock and fisheries sectors.”

Additionally, he underscored the role of financing agro-processing industries, particularly in

edible oil production. “Soybean oil is one of the best edible oils available. This agreement with AGCOT will open up significant opportunities for farmers and the country's industrial sector.”

A Holistic Approach to Agricultural Growth

On his part, **Geoffrey Kirenga, CEO of AGCOT**, emphasized that the partnership aligns with the broader vision of transforming Tanzania’s agricultural sector from subsistence farming to commercial agribusiness.

“We are delighted to collaborate with TADB in this initiative to develop the soybean crop and other critical crops for agricultural development in our country.”

Kirenga acknowledged the significant role of past agricultural initiatives and how this partnership builds upon earlier efforts, particularly in integrating financial institutions with agribusiness development.

“Our main objective is to create opportunities to help farmers transition from subsistence farming to commercial agriculture. This partnership will empower farmers to move out of poverty and build sustainable agribusinesses.”

He also expressed gratitude to **President Samia Suluhu Hassan** for her efforts in securing investment in Tanzania’s agricultural sector. “Our government has been at the forefront of mobilizing capital for agricultural development, and now our responsibility is to ensure these funds are effectively utilized.”

Expanding Opportunities Beyond Soybean

While the MoU focused on soybeans, Kirenga also highlighted AGCOT’s work in other value chains, particularly avocados, apples, and mangoes, which present lucrative export opportunities.

- **Avocado:** Tanzania has seen tremendous growth in avocado production, especially in the southern corridor. Kirenga noted that the crop is becoming one of the country’s top export earners.
- **Apples:** “Tanzania imports apples worth over **\$75 million annually**. We are now working with over **2,000 apple farmers in Iringa and Njombe** to expand local production and position Tanzania as a key supplier in the region.”
- **Mangoes:** The global mango trade is projected to reach **\$95 billion by 2030**, and Kirenga urged farmers to tap into this market. “Currently, 75% of global mango producers do not have mangoes available during our harvest season. This gives us a prime opportunity to export at peak prices with minimal competition.”

Aiming for Global Markets

Kirenga revealed that China has already expressed interest in importing **300,000 metric tons of soybeans from Tanzania**. If smallholder farmers receive adequate support through financial institutions like TADB, this represents a significant opportunity.

“We can achieve this production target by collaborating with the bank and partners such as FTMA, WFP, and TAFB. Our livestock sector in Tanzania and East Africa depends heavily on soybean as a protein source. I am confident that this partnership will create substantial opportunities for farmers.”

He emphasized that AGCOT's broader goal is to position Tanzania as a global food basket, moving beyond traditional exports like maize and rice to high-value crops with substantial global demand.

The MoU between AGCOT and TADB represents a transformative step in Tanzania's agricultural financing landscape. By providing targeted financial support, enhancing value chain development, and expanding market access, the partnership is set to elevate Tanzania's agricultural sector to new heights.

Both CEOs reaffirmed their commitment to ensuring that smallholder farmers and agribusinesses receive the necessary support to thrive. The collaboration between financial institutions and agricultural development agencies underscores the importance of multi-stakeholder efforts in driving sustainable agricultural growth and economic transformation.

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