



Policy Brief

PROTECTION OF QUALITY PRODUCTS WITH GEOGRAPHICAL INDICATION IN TANZANIA



Introduction

The Tanzanian component of the VALOR Project (2014-2018) studied quality factors, traits and conditions with potential to increase value of agricultural products in Tanzania through Geographical Indication (GI) protection, by recognizing territory specific (origin) products stewarded by smallholder. This policy brief summarises the key findings on policy option flowing from the research.

In Tanzania, the VALOR project covered five products namely, rice from Kyela-Mbeya; cloves from Zanzibar; and coffee, Aloe Vera and sugar from the plains below Mt. Kilimanjaro. Findings suggest that producers of those crops may be able to sell quality products with a 'taste of place' approach i.e. labelled with geographical indications, at higher prices. More than 82% of respondents interviewed believed that their products had unique attributes compared to similar products from elsewhere.

Geographical Indication holds promise as policy instruments contributing to food sovereignty and quality, within an efficient marketing system and availability of government support. The producers of unique products in Tanzania are yet to experience a fully operational GI law in place; allowing for efficient protection of unique products with their qualities attributed to a particular geographical origin. GI holds promise to improve the crop value for the Tanzanian producers and protect other speciality products (African Union-European Union 2011). The main challenge for Tanzania is the absence of a GI law for protection of its unique products.

A policy option is to create awareness of the importance of protecting quality products originating from and attributing their qualities to the culture and nature of particular geographical regions. Awareness creation could target associations of producers of the quality products. In protecting such unique products, policy makers have to consider many factors such as protecting



productive agro ecological environments so local and regional products may not lose their unique characteristics, based on the cultural and natural environments in which they are produced. In addition, strengthening awareness of consumers so they may not fall victim to counterfeited products, may be required.

Data and methods

The analysis was based on farm households survey data collected in 2014 and 2015 in Mbeya, Kilimanjaro and Zanzibar. The survey covered three districts i.e. Moshi rural (in the village of Uru, Kilema, Kibosho, Machame and Old Moshi), Hai and Marangu districts in Kilimanjaro, Kyela in Mbeya, and Unguja and Pemba in Zanzibar. A random sampling was used to select villagers. A total of 150 households for each crop i.e. rice, clove and coffee was selected with a single producer for Aloe Vera and Sugar.

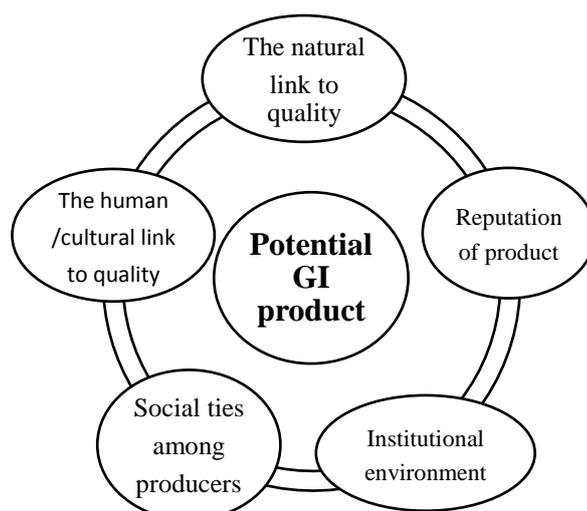
The data was collected on household socio-demographics, producers' awareness of the unique characteristics, common rules in production and handling; marketing strategies: destination of the product, packaging, market demand, market area, and the value chain agents. The quality variable included the taste (flavour), aroma, appearance, body, bitterness and global impression of the product. Geographical factors: climate condition, agricultural system, organic grown/produced, traditional methods, human labour and local know how and local and central government support. The survey also involved in-depth interviews with the key informants in the legal sector and a review of different policies available in the country that can affect directly or indirectly the protection of products as geographical indications.

Potential GI product

In Tanzania, the development of GIs is in an early stage with farmers and administrators developing awareness and technical capacity from a basic level. To realize the benefits of GIs, Tanzania needs to attach legal, economic and cultural implications to geographical labelling in the country policies.

Some of the potential products identified by this study are; cloves from Zanzibar, rice and cocoa from Kyela, coffee from Kilimanjaro, tea and mangroves from Iringa, Oranges from Tanga, rice from Kantalamba Mtwara, wine (grapes) from Dodoma: and coffee and Masai Cloth and Tanzanite from Arusha. Some of the potential East African products are Kivu coffee from Burundi, Mountain tea from Rwanda, honey, tea and coffee from Kenya, and Kakira sugar from Uganda.

Figure 1 Criteria for Identifying the Potential Candidate Products for GI Registration



Source: Egelyng et al., (2015).

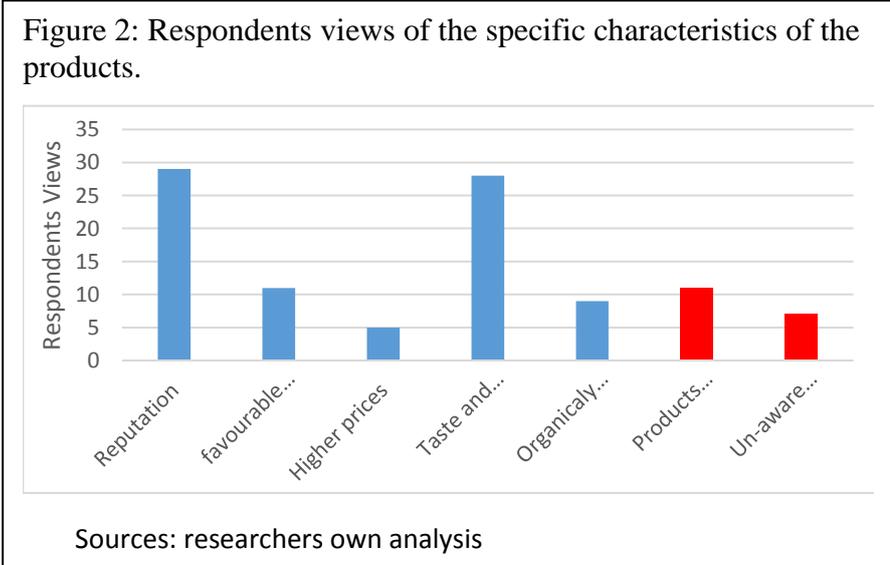
Main findings.

This policy brief aims to raise awareness of the potential of protecting the many unique agricultural products in Tanzania with GI. The evidence from the survey results acknowledges the importance of GIs by identifying and analysing quality traits, factors and conditions that

can potentially increase the value of Agricultural products in Tanzania. GI protection recognizes territory specific (origin) products stewarded by smallholders. The research found the existence of unique products linked to the area of production known to both consumers and producers of coffee, Rice, cloves, sugar and Aloe Vera. Kyela rice and Kilimanjaro coffee were products with a high reputation in the market with a higher premium, an attribute not reflected to the producers. Absence of government support in protecting the products, high taxes and poor infrastructure were some barriers constraining producers from fully benefiting from the formal or informal registration of their products.

The producers located in the region of origin of a unique geographically linked product would have the right and opportunity to use the name of the area in selling their produce and any potential income associated with the name of the area. Producers from other regions would be prohibited from using the name of the area where the potentially produced GI product is found. Producers of the potential GI product are likely to fetch a premium price. For example, coffee labelled “Kilimanjaro coffee” had prices 10% higher than coffee labelled “Tanzanian coffee”. In Tanzania, we consider a case where if cloves from Zanzibar, coffee from Kilimanjaro, rice from Kyela-Mbeya or any other unique product were to receive a GI protection, no other producer groups outside these areas would be allowed to use such names in marketing their products. Producers alliances will collectively within the designated geography have the legal right to these products¹. The substantial proportion of the products identified for GI protection are agricultural food products (Fatman, 2012). These products provide a significant opportunity for an agriculture-dependent economy like Tanzania to protect its products. The additional earnings derived from such protection could lead not only to increased incomes for the producers, but may also support rural development, creation of employment opportunities and environmental protection.

Consumers can be protected through the provision of certified information regarding product attributes. Implemented correctly, GI’s can help consumers differentiate authentic from fake products. Coffee is among a class of high valued products fetching premium prices from consumers placing value on its traceability, and yet a sector where only a fraction of this premium triggers down to producers.



¹ However, it should always be noted that Zanzibar has its own legal framework different from that of Tanzania mainland

Labelling products that are linked to the geographical origin is seen as an important factor in differentiating prices of the products, but clearly not enough in itself to ensure producers a larger share of market prices. Majority of the Tanzanians producers were unaware of the concept of GI, but were aware of the unique characteristics that their products possessed (see Figure 2).

In order for the Tanzania government would probably have to pass a bill that allows the protection of origin products, identified from their quality attributes linked to their area of production. Currently, since there is no ²*sui generis* GI system in place, origin producers in Tanzania- mainland can register their products temporarily as collective trademarks. The institutional environment of the country may have to be improved, for a well-functioning GI system and identify the actors involved. A GI policy could be expected to help certify Tanzanian products and market them exclusively in the speciality market, a strategy that will help distinguish Tanzanian goods from those of other countries. ³Lessons can be learnt from Penja pepper and Oku white honey from Cameroon and Ziama-Macenta coffee from Guinea Conakry: the three African products first to be awarded Protected Geographic Indications (PGIs) by the African Intellectual Property Organization.

Policy lessons

The study results have some policy implications:

1. It may be important for the Tanzanian government to investigate and recognise the unique products whether it is agricultural or non-agricultural, since GIs are important not only to the producers, but for the exports of the country. With lessons learnt on the benefits, different countries have acquired from using GI label Tanzania could capture such benefit with GI as well
2. It is an option for policymakers to formulate or review existing policies and laws that may incorporate GI rules. Investigate which institutions and the institutional framework that may be involved in the functioning of GIs and be open to non-governmental institutions that have the potential of making GIs function properly. Rules and laws that will govern the protection may need to be clearly stated to avoid implementation issues.
3. The government may wish to ensure GI registration of Tanzanians most unique products. Though minerals are not yet in place for protection in the EU-GI products, Tanzania that has Tanzanite minerals is losing income from countries like Kenya that export Tanzanite under Kenyan name. Tanzania should be worried about multinationals patenting and selling crops like “Kilimanjaro coffee” “Ngorongoro coffee” in their country as the EU is helping to ripe such benefits from the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement.
4. Producers’ need to invest and maintain the quality of their products by practising good farming methods while avoiding chemical use and protecting the environment since GIs link to the geographical region it is important to have a safe environment to maintain the quality of these products.

² Italian word for unique

³ <http://www.cirad.fr/en/news/all-news-items/press-releases/2013/geographic-indications>

- Governments can help build public awareness to make GI function not only in the local markets but also for the world to know of these potential products in the country and to avoid or minimize counterfeits and protect consumers that value quality products.

Generally, government and producers of these products should cooperate to make GIs work in the country so they may obtain the full benefit of their produce from local and export markets as it was noted by the EU that in a study on consumers 40% of consumers were ready to pay a 10% premium price for origin-guaranteed products



Conclusion

The conclusions drawn from the research is that Geographical indication is quite new to the majority of Tanzanians consumers and producers, with no law dealing explicitly with the protection of GIs. The research work provided results on institutional requirements for GIs to be feasible in the Tanzania, but more research is required. Some of the potential areas for research are the legal-economic approach to GI protection, a consumer and traders study on their perceptions and marketing of GI, which would check whole value chains. Such research is important in the WTO context in order to defend the specific quality of potential origin products, in allegations of the creation of trade barriers.

References

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Product must be produced and processed and prepared in the geographical area (PDO)



Product must be produced or processed or prepared in the geographical area (PGI)



Name must be specific in itself or express the specific character of the food stuff (TSG)