

Structural Adjustment in Tanzania: The Role of Agriculture and Agricultural Support Services in this Process

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1. Introduction

- 1.1 In general, the principle objectives of structural adjustments are: reforming public policies and arranging for economic management to enhance the capability of the economy and to formulate incentives for optimal capacity utilization.
- 1.2 The paper intends to present an overview of the evolution of the structural adjustment in the macropolicies and to show how the agricultural sector adjustment and performance contributed to the overall economic improvement. The agricultural sector through the adjustment process has contributed to stabilizing the food supply situation, thus reducing the food import bill, improving export earnings, and increasing the supply of raw material for agro-based industries.
- 1.3 Tanzania's structural adjustment program (SAP) was necessitated by the economic crisis which hit the country in the early 1980s. The government undertook a series of adjustment programs which were targeted at addressing specific economic problems. The National Economic Survival Programme (NESP) was concerned with the mobilization of resources through export drive, while SAP was to address structural problems in the economy. SAP was followed by two ERPs. ERP I put more emphasis on the economic and productive sectors, while ERP II (ESAP) emphasized improving the social services.

2. Structural Adjustments:

- 2.1 *Background.* The protracted period of economic crisis during the early part of 1980s virtually paralyzed the national economy. This was due to both external and domestic factors. The global factors included the oil price increases, increases in the prices of imported manufactured goods and falls in the prices of exports, which resulted in an unprecedentedly adverse balance of payments position. On the other hand the local factors included, among others, two successive bad crop years, the Kagera war and the break-up of the East African Community. Also, there were other longer-term weaknesses in the economy including prolonged poor agricultural performance in the 1970s, and the poor performance of the parastatal monopolies in both the productive and service sectors. These factors weakened the economy's productive and export capacities thus forcing Tanzania to be more of an import-dependent economy.
- 2.2 *Structural Adjustment Programme (SAP).* Following the economic crisis of the economy in the early 1980s, the government launched an Economic Survival Programme (NESP) in 1980/81. The main objectives of NESP were: to mobilize domestic resources through an aggressive export drive in order to increase foreign exchange earnings, and to eliminate

food shortages through small-scale village irrigation. NESP had minimal impact on the economic crisis.

As a follow up, the Government launched a three-year Structural Adjustment Programme (1982/83 - 1984/85). The objectives of the SAP were: increasing the output of food and export crops; revamping the industrial sector, the rehabilitation of the economic infrastructure and social services, the restoration of the internal and external balance of the economy, improving efficiency in the mobilization and utilization of domestic resources, and reducing the rate of inflation. In pursuing these objectives, the government introduced profound policy and institutional reforms. These included the introduction of trade and price liberalization, gradual exchange rate adjustments, and restraint on fiscal and monetary policies during the 1984/85 budget.

- 2.3 *Performance under SAP (1982-85)*. Although the real growth of GDP rose from negative growth in 1983 to an average of 3% between 1984-85, it still represented a negative growth in per capita terms as the population growth rate stood at 3.2%. The export earnings fell short of the program target by 1/3 (one third) and the level of imports was only 2/3 (two thirds) of that targeted, while the overall external balance worsened by 80% between 1982-85. Generally, the effectiveness of these reforms were seriously undermined by the very low level of import capacity.
- 2.4 *Reform measures under ERPs (I - II) 1986-92*. Faced with a deepening economic crisis and the aftermath of initial attempts to implement partial policy adjustment during SAP, the Government embarked on a more comprehensive Economic Recovery Programme in July 1986. The ERP represented a significant shift in economic management strategy in that it was designed to facilitate adjustment with growth by being able to mobilize external resource inflows from both bilateral and multilateral sources, subject to fulfillment of the conditionality of the agreed Programme with the IMF and the World Bank.

Under ERPs, the Government's primary objectives were to increase food and export crop production; rehabilitate the physical infrastructure, increase industrial capacity utilization and restore external balance. Policy actions centered on putting in place a supportive macroeconomic framework of appropriate fiscal and monetary policies, reduce overvaluation of the exchange rate, and improve agricultural incentives and marketing structures as well as reforming internal and external trade policies. In recognition of the decline of social delivery, a subsequent program known as ERPII (Economic and Social Action Programme - ESAP 1988/89 - 1992/93) was introduced to include measures to arrest the erosion of social services.

3. Performance of ERPS (1986 - 1992)

- 3.1 The overall performance as per GDP growth over the first three years was relatively impressive. GDP increased by 3.6% in 1986, 3.9% in 1987 and 4.1% in 1988, but dropped to 3.9% in 1992. The decline in GDP was due to the problems that affected the agricultural production in 1991. This contrasted sharply with an average growth of about 1% during the period of 1980 - 1985. The revival in GDP growth was accounted for mainly by the impressive performance in the agricultural sector.
- 3.2 The reforms which were implemented in the external sector helped to stimulate exports, particularly those of the non-traditional products, thus improving the foreign exchange

situation. Export earnings rose from US\$ 394m in 1988/89 to US\$ 425m in 1992. The situation would have been better had it not been for unstable market prices.

- 3.3 Government expenditure was contained, but credit for marketing agricultural produce had increased much faster than planned. This was basically due to bumper crops in cotton and cereals. As a result, we could not achieve the planned reduction in the inflation rate from more than 30% in 1985 to 15% in 1993.
- 3.4 The food situation improved substantially due to an increase in the production of maize, paddy and root crops. Overall, the agricultural sector registered an annual growth rate of 5.7% in 1986, 4.4% in 1987, and 4.8% in 1989 compared with an average of 3% during 1981/85. The impressive performance in agricultural production was mainly due to favorable weather conditions, the improved availability of inputs, and better producer prices and marketing arrangements as well as the availability of incentive goods.
- 3.5 During the programme, private traders were given greater responsibility for food marketing and distribution but could not develop fast and sufficient capacities. The main policy changes associated with liberalization have been *first*, a progressive easing of statutory restrictions on inter-regional grain movement, *second*, the reintroduction of co-operatives at primary level as marketing agents, *third*, free entry of private traders into grain marketing and defining the new role of NMC. As a result of the reforms in food grain pricing and marketing, there was adequate incentive for farmers to produce more food.
- 3.6 Performance had been impaired by industrial and structural bottlenecks, such as weak marketing arrangements, transportation and processing capacity.
- 3.7 Utilization of processing capacity still remained to be a problem as shown in table 4.

4. Main Reforms After 1992

- 4.1 While considerable progress was made in the first six years following the launch of ERP in 1986, the fiscal situation deteriorated, particularly in the last two years (1989/90-1990/91). The fiscal deficit swung from a surplus of 2.3% of GDP a year later. During 1992/93, revenue fell by almost 7% of GDP compared to the previous year. This situation, therefore, called for taking major reforms for sustaining the achievements made in the previous programs.
- 4.2 *Planning and Budgeting System Reform.* Essentially the RPFB has been introduced to establish a link between the government's stated priorities and the actual resource allocation process. The major objectives include making a precise overview of the economy to ensure that overall objectives are consistent with sectoral objectives and the provision of ways of allocating scarce resources to the priority areas for maximum impact. The RPFB should be looked upon as a process of policy formulation and resource allocation through developing a consistent macroeconomic framework, formulating a three-year expenditure ceiling and identifying priority areas for funding.
- 4.3 *External Sector Reform.* The government has pursued a very active exchange rate policy since mid-1986. The Tanzanian shilling has gone through a series of adjustments from the overvalued rate of Tsh 17 to one US\$ in 1986 to a market rate of Tsh of between 500-600 in 1996. At the same time, foreign exchange bureaus have been licensed to operate since April 1992. The exchange rate adjustments were coupled with substantial trade liberalization. The "own funds" and open general license were expanded to increase access to im-

ports. The export retention and duty draw back schemes also complemented the adjustments in exchange rate by offering further incentives to exporters. The exchange rate adjustments helped in improving agricultural production incentives, particularly for non-traditional exports. At the same time, trade liberalization improved substantially the supply of consumer goods which turned out to be a strong interim incentive for increasing agricultural production.

- 4.4 *Financial Sector Reform.* Since 1967, when the commercial banks were nationalized, virtually all the financial institutions in Tanzania have been wholly owned by the government. As a result, the performance of the financial sector has been very unsatisfactory in almost every aspect. Due to financing of non-bankable activities, the NBC and CRDB, which were the main financiers of agricultural operations (inputs and crop financing) recorded a very high rate of non-performing loans. The reform aimed at increasing efficiency in the sector by promoting competition through allowing the entry of both foreign and domestic private banks, as well as restructuring the existing bank institutions. Private banks started operations in August 1993.
- 4.5 *Parastatal Sector Reform.* The parastatal sector reform actions which began in the early 1980s were deepened so as to remove budgetary pressure on the government, improve efficiency and facilitate the effective instrumentation of the financial sector reform. In order to expedite implementation and ensure a systematic approach in the parastatal reform process, a Presidential Parastatal Sector Reform Commission was appointed in early January 1992 to oversee and supervise the reforms. During 1993, the Parastatal Sector Reform Commission became operational, whereby intensive work was done to put in place the policy and institutional building for parastatal reform. The Ministry of Agriculture has the task of facilitating the process, and has been involved in the preparation of company profiles and actively involved in driving divestiture/restructuring strategies. However, the overall responsibility for this component belongs to PSRC.
- 4.6 *Infrastructure Rehabilitation Programme.* A well-developed and functioning infrastructure in Tanzania is crucial for the realization of the objectives of ERP. The physical infrastructure (roads, railways, water transport, water supply) was highly dilapidated due to the protracted economic decline and the lack of policy and priority on the maintenance programs. In order to alleviate these weaknesses, the government, in collaboration with the donor community, launched national and regional programs for rehabilitating the roads, railways and ports. To avoid past mistakes, the government has established a road fund to be financed through user charges for meeting the increased maintenance budget.

In 1990/91, the eight-year multidonor US\$ 871.1 million Integrated Roads Projects (IRP) were launched. The projects' core objectives included the rehabilitation of the trunk and regional roads network, and institutional building in the Ministry of Works and Communication and Transport. The project was targeted to have 60% of the trunk roads in good condition by 1996 from 15%, and regional roads to 50% from 10% in eleven of the most agriculturally productive regions. Also, by 1996, the project was scheduled to attain a situation of regular maintenance on 80% and 60% of the trunk and regional roads respectively.

5. Agricultural Sector Reforms

5.1 The Role of the Agricultural Sector

- 5.1.1 The agricultural sector is a key factor in Tanzania's national economy. The sector contributes about 50% of the country's gross domestic product, generates about 75% of the export earnings and employs 84% of the working force. Furthermore, it is the main source of Tanzania's food supply and raw material for the industrial sector.
- 5.1.2 The contribution of the agricultural sector to the economy is not limited to the total GDP; there are also increased linkages between the agricultural sector and other sectors, for example, its contribution to the agroprocessing industries, agromanufacturing industries and a substantial proportion of trade. Transport and financial sector functions are largely a function of the volume of agricultural production.
- 5.1.3 Also, the foreign exchange earnings capacity of the agricultural sector is very important to the economy. A major portion of the foreign exchange used for the importation of industrial inputs, capital goods and consumer goods is generated by the agricultural sector.

5.2 Reforms

- 5.2.1 Tanzania's objectives in agricultural development are to improve efficiency in the production of food and cash crops, and in their marketing. Policy Reforms have continued to be focused on revising price distortions and removing losses due to the inefficiencies of the processing and marketing by:
- i) using the market rate of exchange for agricultural exports,
 - ii) continuing to reduce the government's participation and control in the marketing of products and the supply of inputs for the sector, and
 - iii) emphasizing research and extension.
- 5.2.2 For the past few years, when reforms in the agricultural sector started to be implemented, growth averaged 5% per annum. The removal of controls on agricultural production and marketing, and the rehabilitation of road transport infrastructure, together with favorable weather conditions, helped to achieve this growth. The main reforms which led to agricultural recovery include:
- i) exchange rate adjustment,
 - ii) removal of marketing and pricing controls,
 - iii) freeing of external trade and payments arrangements, and
 - iv) rehabilitation of transport infrastructure to facilitate access to markets.
- 5.2.3 The favorable policy regime and improvement in producer price promoted sector recovery, especially for high value cash crops and export crops such as coffee, tea, cashew and cotton, which showed positive supply response. Other factors which contributed to growth included:
- i) availability of imported goods,
 - ii) improved supply of inputs, such as farm implements,
 - iii) expanded acreage, and
 - iv) cessation of severe drought conditions.

5.2.4 While precise estimates of growth are difficult to make, evidence on sector recovery is extensive, indicating a real average growth of about 5% during 1986-94, compared to about 3% during 1964-'85.

5.2.5 The agricultural sector recovery played a very significant role in increasing household expenditure and reducing the incidence of rural poverty. The impact of the agricultural recovery on rural incomes varies. Generally, cash crop producers, areas close to urban markets, and those connected to transport infrastructure gained most. Variations in the gain reflected differences in access to inputs, proximity to markets and infrastructure, and in resource endowments. Generally, the relatively well-off areas included areas with the most intensive agricultural systems, especially the:

- i) coffee, maize and legume systems of the Southern Highlands, and
- ii) coffee, banana and dairy systems of the north.

On the other hand, the relatively poorer regions include the:

- i) agropastoralists' zone of the semi-arid Central plains; and
- ii) the cashew and cassava areas of the South.

5.2.6 While the progress is encouraging, much of Tanzania's agricultural potential remains to be harnessed. In the long term, agricultural productivity and growth would require, among other things, the following policies:

- i) maintaining liberalized agricultural markets;
- ii) providing access to improved technology for small farmers through research and extension;
- iii) expanding access to farm land by making unused state farm lands available to small farmers;
- iv) building rural roads to provide access to inputs and help transport farm surpluses to markets; and
- v) extending financial support services to the agriculture sector.

5.3 The Role of Agricultural Support Services

5.3.1 Sustainability of the envisaged increased production and productivity calls for adequate agriculture support services such as research, extension, input supply, information, services, irrigation services, crop protection services, livestock health services and input support systems.

5.3.2 Research and training are critical services that, together with extension services, provides crucial support for agricultural development. Research institutes develop, test and promote appropriate technologies for the farming system through the extension services. The challenge to the government is to allocate adequate resources to equip the research stations, motivate research scientists and train more personnel in order to keep up with the demand for agricultural technologies and to encourage private and non-government organizations to participate.

5.3.3

The extension service is the link between the farmer and researcher where agricultural technologies are developed, tested and modified. Research extension-farmer linkage provides a framework for planning research and extension activities, and developing new technologies arising from research and extension expertise. The linkage also provides a basis for evaluating the impact of research and extension activities. The delivery of the services in the past was constrained by poorly motivated extension personnel and a lack of resources to support the delivery system. It is against this background that, in 1988/89, the government took a major initiative designed to rehabilitate and strengthen agricultural and livestock extension services. The objectives were to enable the government to provide the farming community with adequate extension messages in order to enhance agricultural and livestock productivity.

5.3.4 Two major interventions centered on the following areas:

- i) integrating all extension activities into a single delivery system by merging crop and livestock extension services to be served by one extension agent and
- ii) training and visit (T and V) systems which would be modified to suit changing circumstances. The evaluation recommended that the approach was ideal and practical and should be strengthened.

5.3.5 Irrigation services by facilitating small-scale irrigation through:

- increasing the production of rice and other crops; and
- high value crops (like vegetable, flowers etc).

5.3.6 Plant protection through disease and pest control.

5.3.7 Animal health by regulating the provision of curative medicine and the provision of veterinary services.

5.3.8 Improvement of data and vital information on agriculture and livestock.

5.3.9 Supervising the implementation of the new policy in the distribution of agricultural inputs, and the procurement and marketing of agricultural products.

5.4 Budget

5.4.1 It is imperative that there be appropriate investments in the agriculture sector so as to sustain the already positive performance achieved through the various policy reforms.

5.4.2 In order to carry out the core function of the Ministry, a number of programs/projects are under implementation which focus on agricultural extension and training, research, plant protection, animal health, agricultural and livestock marketing, soil conservation and agricultural mechanization, but not in directly productive or commercial activities.

5.4.3 The total development budget allocation in the agriculture sector has decreased from Tsh.12.239 billion in 1993/94 to 3.4 billion in 1996/97. This represents a decline of the share of the total budget from 11% in 1994/95 to 2% in 1996/97. The budget decline has been mainly in the foreign funding from Tsh. 11 billion in 1993/94 to 2.4 billion in 1996/97. The local funding has increased from Tsh.750 million in 1994/95 to Tsh. 1.022 million in 1996/97. The decline in the foreign allocation can be explained by two factors: *the first* is the overall cut in the foreign fund allocation and *the second* is the policy action of moving out of directly productive activities. For example, in 1993/94 there was an allocation of Tsh.3,400 million for the commercial parastatals; in 1994/95, Tsh. 3,200 million was allo-

cated, and Tsh.300 million in 1995/96. There is no allocation in 1996/97. The continued increase in the local funding indicates the commitment of the government to meet the key support services of the agricultural sector.

- 5.4.4 The recurrent budget allocations reflect one problem of under-funding in other charges. In all the key support services, the amount made available for other charges is minimal, particularly in the extension services. For all years there is only about 200 million for other charges. The situation is different for the research, training, irrigation and co-operatives, where the allocation of other charges is higher. One other aspect which has been introduced is the Input Supply Fund which is accommodated in the recurrent budget (table 7).

6.0 Achievements and Weaknesses of Structural Adjustments Programmes

- 6.1 The increase of major cash crops, particularly cotton, cashew nuts, tea, tobacco and sisal as reflected in table 1 is a major achievement during the adjustment program. Cotton has increased from 191,711 tons in 1988/89 to 251,17 tons in 1995/96; similarly, cashew nuts rose from 19,295 tons in 1988/89 to 81,729 tons in 1995/96 and tea from 15,944 to 23,300 tons, etc. The foreign exchange earning from the traditional crops has continued to increase in all the traditional crops; even more important is the contribution of the non-traditional exports, where export earning has increased from US\$ 41.6 million in 1991/92 to US\$ 65 million in 1994/95 (see table 6). The producer price for the export crops increased, particularly Arabica coffee from Tsh.155 per kg to Tsh.205, and tobacco from Tsh.117 to Tsh.569 per kg during the same period (see table 3). The increase in export price can to some extent be linked to the exchange rate adjustment, which also acts as an incentive to increased production.
- 6.2 With the opening up of the sector for private investment in production, processing, in input importation distribution and in agricultural marketing, has made farmers free to sell their crops to co-operatives or private traders. As a result of competition, nominal producer prices of both food and export crops have increased significantly (see table 3). Efficiency, in some places, has meant that farmers have been able to dispose of their crops much faster than before. Similarly, farmers are not forced to use a single source of fertilizers and other essential inputs.
- 6.3 However, with the withdrawal of government parastatals from the provision of agricultural services, the private sector has not kept pace with the growth of demand by farmers in terms of its ability to effectively take over these services.
- 6.4 The livestock sector is facing the problem of demand falling behind the supply of veterinary drugs and other essential inputs. Most farmers cannot fulfill loan conditions, especially borrowing from banks at an interest rate of 30%. In addition, loans for livestock have been negligible.
- 6.5 Over the adjustment program period, the total output performance, as measured by Gross Domestic Product (GDP), increased from less than 1% in 1984/85 to 4.7% in 1995. The impressive performance was largely due to the agricultural sector which accounted for 55.2% of the overall GDP.
- 6.6

The reforms which were implemented in the external sector helped to stimulate exports. Exports increased from US\$ 380.26 million in 1987 to US\$ 682 million in 1996. The non-traditional crop sector contributed US\$ 41.6 million in 1991 and US\$ 65.9 million in 1994/95. The improved export earnings, coupled with donor support, increased substantially the availability of foreign exchange during the program.

- 6.7 The inflation rate decreased from 30% per cent in 1985 to 25.5% in 1995.
6.8 The increased production has not kept pace with storage and processing.

7.0 Conclusion

- 7.1 The central objective of Tanzania's future development strategies is to transform production structures in the agriculture sector and other productive sectors, reverse the decline in institutions and build a foundation for sustainable development and equitable growth.
- 7.2 The recent structural adjustment programs are an important step in the right direction but much more is needed, particularly in ensuring that the adjustment programs are sustained and internalized. Local ownership by both public and private sectors in design and execution is a prerequisite for achieving the desired goal and promoting the role of agriculture and agriculture support services in this process. To this end, structural adjustment must be viewed as an ongoing process and the goal should not simply be to achieve a macroeconomic balance but, over time, to fundamentally transform production structures, and overcome the bottlenecks of agricultural production (i.e., research, extension, and capacity building) and to foster an enabling environment for private sector participation.

Table 1: Production of Major Cash Crops 1988/89 - 1995/95

Crop	88/89	89/90	90/91	91/92	92/93	93/94	94/95	95/96
Coffee	57,776	53,453	49,333	48,008	59,574	50,343	34,151	40,061
Cotton	191,711	112,917	141,028	266,956	308,178	251,171	146,953	126,185
Cashew	19,295	17,069	29,182	42,425	39,323	81,729	46,603	63,408
Sisal	33,268	32,265	3,743	36,001	24,309	42,243	29,601	34,496
Tea	15,9944	20,190	18,092	19,525	21,078	23,000	22,259	25,318
Tobacco	11,556	11,016	11,807	16,240	24,320	27,137	26,838	22,316
Pyrethrum	1,312	1,500	1,700	2,396	2,060	400	466	400

Source: MBD, MOA 1996

Table 2: Production of Cereal Crops (000 tons)

Crop	88/89	89/90	90/91	91/92	92/93	93/94	94/95	95/96
Maize	3,125	2,445	2,332	2,226	2,242	1,813	2,567	2,315
Rice	468	481	406	256	417	412	469	403
Wheat	76	97	16	84	64	59	75	66
Sorghum	—	—	—	—	—	696	838	609
Beans	—	—	—	—	—	187	328	328
Potatoes	—	—	—	—	—	267	451	358
Cassava	—	—	—	—	—	1,802	1,492	1,492
Sugar	—	—	—	—	—	104	130	122.5

Conversion factor of paddy into rice is .85
Source: MOA 1996

Table 3: Producer Prices for Export Crops 1990/91 - 1995/96

Crop	90/91	91/92	92/93	93/94	94/95	94/96
Cashew Nut	108.15	134.60	123.75	270	350	330
Cotton	41	70	60	80	120	205
Coffee (Arabica)	155	230	250	400	931	987
Coffee (Robusta)	60.5	70	100	90	300	300
Tea	28	40	40	45	50	50
Tobacco (Flue)	117	245	295	384	564	569
Tobacco (Fire)	91	168	220	243	353.6	455
Pyrethrum	120	230	230	230	250	300

Source: MBD, MOA 1996

Table 4: Processing Capacity of Individual Agricultural Export Crops

Crop	Total number of processing plants	Total installed capacity	Total processing capacity tons/year
Coffee	4	1,573,300	50,000
Cotton	41	965,243	295,841
Tea	21	28,050	21,00
Tobacco	2	47,000	25,000
Cashew Nut	12	112,000	12,000
Pyrethrum	1	4,500	13,000
Sisal	9	91,000	30,000
Total	90	13,306,993	424,341

Source: MOA 1996

Table 5a: Gross Domestic Product (GDP) by Kind of Economic Activity (at cons

Economic Activity	1988	1989	1990	1991	1992	1993
Agriculture, Forestry, Fishing and Hunting	59380	61425	66084	72120	75245	81111
Mining and Quarrying	317	363	428	659	951	1111
Manufacturing	11189	11935	12038	12078	11074	11111
Electricity and Water	1356	1252	1196	1439	1396	1111
Construction	7320	6988	8483	7200	8416	8111
Wholesale and Retail Trade and Hotels and Restaurants	15988	16783	17105	18663	19099	20111
Transport and Communication	8038	8056	7732	7858	8266	8111
Finance, Insurance, Real Estate and Business Services	6776	7490	7684	7945	8334	8111
Public Administration and Other Services	13282	13899	14237	14849	15205	15111
Imputed Bank Service Charges	-2087	-2142	-2174	-2224	-2304	-2111
Gross Domestic Product at f.c.	121553	12004	132813	14038	14568	15111

Table 5b: Gross Domestic Product (GDP) by Kind of Economic Activity (sectors)

Economic Activity	1988	1989	1990	1991	1992
Agriculture, Forestry, Fishing and Hunting	48.5%	48.7%	49.8%	51.4%	51.7%
Manufacturing	9.2%	9.5%	9.1%	8.6%	7.6%
Electricity and Water	1.1%	1.0%	0.9%	1.0%	1.0%
Construction	6.0%	5.5%	6.4%	5.1%	5.8%
Wholesale and Retail Trade and Hotels and Restaurants	13.2%	13.3%	12.9%	13.3%	13.1%
Transport and Communication	6.6%	6.4%	5.8%	5.6%	5.7%
Finance, Insurance, Real Estate and Business Services	5.6%	5.9%	5.8%	5.7%	5.7%
Public Administration and Other Services	10.9%	11.0%	10.7%	10.4%	10.4%
Imputed Bank Service Charges	-1.7%	-1.7%	-1.6%	-1.6%	-1.6%
Gross Domestic Product at f.c.	100.0%	100.0%	100.0%	100.0%	100.0%

Table 6: Major Export Crops (in US\$ millions)

	1991/92	1992/93	1993/94	1994/95
Coffee	77.25	59.5	87.60	89.09
Cotton	74.55	63.34	65.30	69.85
Sisal	3.95	2.18	2.10	2.48
Tea	21.68	22.40	25.10	28.41
Cashewnuts	16.70	23.50	22.58	56.50
Tobacco				
Non-Traditional Export	41.6	49.9	52.9	65.45

Table 7: Recurrent Budget (in Tsh millions)

	1993/94	1994/95	1995/96	1996/97
Research and Training	1,703.6	1,613.6	1,853.5	2,496
O/W PE	504	918.7	1,062.7	918
Extension Agriculture	1,517	1,935.3	2,355.5	2,432
O/W PE	1,156	1,694.6	2,129	2,129
Extension Livestock	1,222	1,572	1,884.1	1,969
O/W PE	968	1,423	1,663	1,668
Irrigation	132	169.6	150.6	230
O/W PE	87	142.5	122.3	142
Cooperatives	664	628	616	802
O/W PE	17	26	39	27
Administration	831	525	3,523.3	4,786
O/W PE	-	-	3000	3,500

PE = Personnel Emoluments

I.F. = Input Fund