



INVESTMENT GUIDE FOR

AQUACULTURE

IN TANZANIA



Prepared by the Agricultural Department
of the Embassy of the Kingdom of the
Netherlands in Tanzania

July 2021



Tanzania is endowed with vast water resources suitable for developing a vibrant aquaculture industry. With an estimated fish deficit of 100,000 metric tons per annum and dwindling catch from capture fisheries, the country offers a unique investment opportunity in aquaculture.

The Agriculture Department of the Embassy of the Kingdom of the Netherlands, in collaboration with the Government of Tanzania and the private sector, has prepared this aquaculture investment guide to bring about informed decisions to the investors interested to venture into aquaculture.

The investment guide serves as a living document to be updated from time to time with regard to change in sector policies, regulations, and guidelines. It can be used as an informative tool for both local and foreign investors in arriving at logical investment decisions.

The investment guide was prepared in July 2020, but due to unforeseen challenges, we were not able to publish in time. It should be noted that the investment costs are estimates. The actual costs may vary due to number of factors including type and source of materials used, climatic conditions, technology, number of production units, etc. For this reason, it is important for any investor to start with a thoroughly researched business plan before investing.

The Agricultural Counsellor of the Embassy of Kingdom of the Netherlands is grateful for the continued support and collaboration provided by the Ministry of Livestock and Fisheries Development. The guide is one of the milestones for the implementation of Memorandum of Understanding (MoU) signed between the Governments of Tanzania and the Netherlands on 10 July 2019 on developing a robust, vibrant, inclusive, and sustainable aquaculture and poultry value chains, and associated services in Tanzania to significantly contribute to prosperity and well-being of the society.

I am confident that this investment guide will be useful to the business sector and all aquaculture stakeholders in Tanzania.

Wishing you all the success!

Ingrid Korving
Agricultural Counsellor for Kenya and Tanzania
Embassy of the Kingdom of the Netherlands
July 2021

The Memorandum of Understanding is available at <https://www.agroberichtenbuitenland.nl/actueel/nieuws/2019/08/07/mou-for-poultry-and-aquaculture-tanzania>



FISH FARM

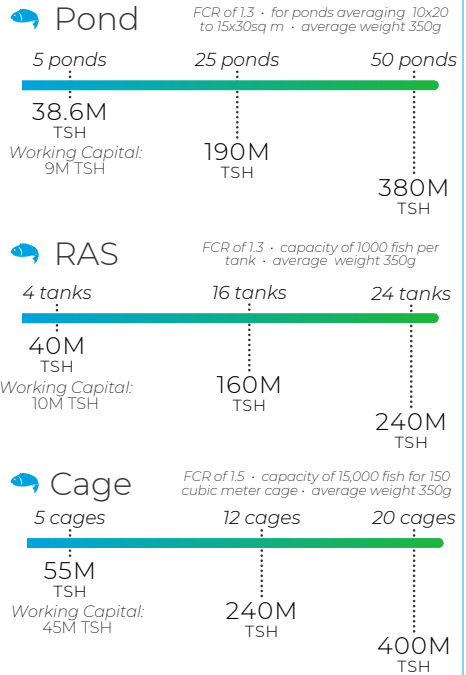
• OUTLOOK •

current situation and areas of potential growth

- Estimated demand for fish per year is 100,000 tons
- **PONDS:** earthen or concrete impoundment for holding fish; commercial earthen ponds are feasible when covering a minimum area of 4,500 square meters
Benefits: inexpensive setup, easy to maintain
Challenges: large initial investment and working capital for professional-level pond farming
- **Recirculating Aquaculture System (RAS):** technology that re-uses water after *in situ* treatment
Benefits: high-output, compact, water and input-efficient; best for areas where land is expensive and water is scarce
Challenges: need for consistent electricity, high initial investment and working capital required, complexity of operation requires well-trained staff
- **CAGES:** floating net enclosure for holding fish relying on natural water current for aeration and waste removal
Benefits: relative low investment
Challenges: high cost of feed, need for sufficient working capital, concerns about the environment, disease risks

• CAPITAL CONSIDERATIONS •

estimated initial investment by farm size and type



Note: Figures are given as a guide only. Investors are advised to conduct feasibility studies to ascertain exact costs.
FCR = Feed Conversion Ratio

• PROCEDURE & REGULATIONS •

policies and requirements for investment*

- Regulated by Fisheries Act, 2003 (No. 22 of 2003)
- Proof of land ownership from Village Authorities or Ministry responsible for Land
- Water Use Rights from Ministry responsible for Water
- Environmental Impact Assessment Certificate from National Environment Management Council (NEMC)
- Permit to operate Commercial/Large Scale Aqua Farm from Ministry responsible for Fisheries



Ms. Loycana Mwidunda
Konga Fish Farm

”
Cage farming offers big results in a small space.

The following will be required if fish farming is undertaken by a company:

- Development of a Business Plan
- Registration with BRELA
- Taxpayer Identification Number (TIN) from TRA
- Local Government License (Permit) - Business License
- Certificate of Compliance from OSHA
- Fire Certificate from Ministry of Home Affairs

Foreign investors must also obtain:
Work Permit from the Ministry of Labor Resident Permit from the Immigration Department, Ministry of Home Affairs

*see Procedure & Policy chart for detailed information

HATCHERY

• OUTLOOK •

current situation and areas of potential growth

- 🗨️ Fingerling production is a key area for growth in the aquaculture sector
- 🗨️ High demand for quality fingerlings (*catfish and tilapia in ponds, tilapia in RAS and cages*) - demand estimated at 50 million fingerlings with current production at about 25 million
- 🗨️ The sector faces a strong need for genetic improvement programs and optimization of hatchery management practices



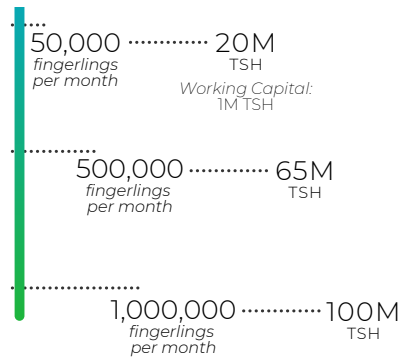
As both a hatchery and fish farm owner, the availability of Dutch technology to improve genetic programs is a win-win. Further investment in this area will greatly benefit the subsector.



Mrs. Zena A. Mndeme
Righas Safina Aqua Farming (BigFish)

• CAPITAL CONSIDERATIONS •

estimated initial investment by hatchery size



Working Capital: 1M TSH

1 fingerling = approx 200TSH

Suggested Equipment
Fish hatchery Aerator Double Impeller 7HP
Fish RAS Hatchery Equipment
Water Analysis Kit
Incubator Hatchery Machines
Fingerling Suspension Net

Note: Figures are given as a guide only. Investors are advised to conduct feasibility studies to ascertain exact costs.

• PROCEDURE & REGULATIONS •

policies and requirements for investment*

Regulated by Fisheries Act, 2003 (No. 22 of 2003)

Proof of land ownership from Village Authorities or Ministry responsible for Land

Water Use Rights from Ministry responsible for Water

Environmental Impact Assessment Certificate from National Environment Management Council (NEMC)

Permit to operate Commercial/Large Scale Aqua Farm from Ministry responsible for Fisheries

The following will be required if hatchery operation is undertaken by a company:

Development of a Business Plan

Registration with BRELA

Taxpayer Identification Number (TIN) from TRA

Local Government License (Permit) - Business License

Certificate of Compliance from OSHA

Fire Certificate from Ministry of Home Affairs

Foreign investors must also obtain:
Work Permit from the Ministry of Labor
Resident Permit from the Immigration Department,
Ministry of Home Affairs

*see Procedure & Policy chart for detailed information

FEED MILL

• OUTLOOK •

current situation and areas of potential growth

- Feed production is a key area for growth in the aquaculture sector
- Most commercial feed is imported from Zambia, Kenya, Uganda, Saudi Arabia, Egypt, & Vietnam
- A few dealers distribute feed imported from The Netherlands
- Small-scale local farmers make their own fish feed using locally available materials
- Fish feed cost remains a hindrance to industry growth
- Imported fish feed is exempted from import duty and VAT to reduce feed costs

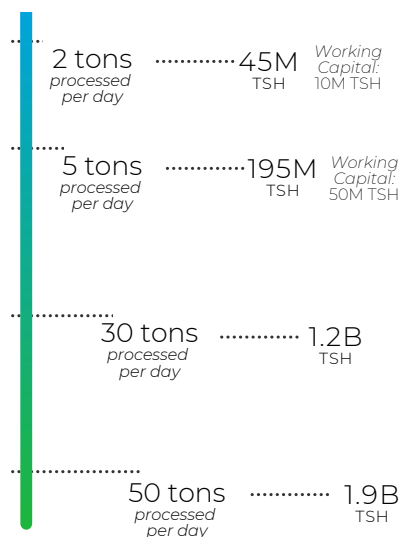


Prof. Faustin P. Lekule
Professor at SUA /
Director, Tanfeeds

“
The animal feed industry can be driven by a friendly tax regime and relaxed export laws.”

• CAPITAL CONSIDERATIONS •

estimated initial investment by feed mill size



Suggested Equipment
pellet fish feed machine
fish feed extruder machine

Note: Figures are given as a guide only. Investors are advised to conduct feasibility studies to ascertain exact costs.

• PROCEDURE & REGULATIONS •

policies and requirements for investment*

- Development of a Business Plan
- Registration with BRELA
- Taxpayer Identification Number (TIN) from TRA
- Land Acquisition
- NEMC: EIA for Land Use
- Local Government License (Permit) - Business License
- Certificate of Compliance from OSHA
- Fire Certificate from Ministry of Home Affairs

Feed Mill-Specific:

- Regulated by Grazing-land and Animal Feed Resources Act, 2010 (No. 13 of 2010)
- Registration of Premises with the Ministry of Livestock & Fisheries
- TBS Certification required

Foreign investors must also obtain:
Work Permit from the Ministry of Labor Resident Permit
from the Immigration Department, Ministry of Home Affairs

*see Procedure & Policy chart for detailed information

LOGISTICS

• OUTLOOK •

current situation and areas of potential growth

- Cold chain, a key component of logistics, enables farmers to prolong the shelf life of their harvest, sell to more distant and lucrative markets, and control the timing of their sales
- Holds great potential to transform the value of Tanzania's aquaculture industry as access to markets by fish farmers is limited by the absence of cold store infrastructure, forcing farmers to sell quickly to local markets for sub-optimal prices
- Recommended to set up in an area with a high concentration of fish farms (e.g. Lake Victoria area)

• CAPITAL CONSIDERATIONS •

estimated initial investment for a mid-size operation

80 ton cold room <i>fully installed</i>	175M TSH
Blast Freezer	35M TSH
Generator	35M TSH
Refrigerated Trucks <i>Three 4-ton trucks</i>	50M TSH
		<hr/>
		295M TSH

*A mid-size business operation example;
items are imported*

*Note: Figures are given as a guide only.
Investors are advised to conduct
feasibility studies to ascertain exact costs.*



**Mr. Haryson
Dawson**
Frostan

”
Additional supply of refrigerated trucks would benefit this sub-sector along with a behavioral change campaign for customers to buy more frozen foods.

• PROCEDURE & REGULATIONS •

policies and requirements for investment*

Development of a Business Plan
Registration with BRELA
Taxpayer Identification Number (TIN) from TRA
Land Acquisition
NEMC: EIA for Land Use
Water Use Rights from Ministry of Water
Permit from the Ministry of Livestock & Fisheries
Local Government License (Permit) - Business License
Certificate of Compliance from OSHA
Fire Certificate from Ministry of Home Affairs

Foreign investors must also obtain:
Work Permit from the Ministry of Labor
Resident Permit from the Immigration Department,
Ministry of Home Affairs

Logistics-Specific:

Vehicle Registration required for all transport vehicles
All delivery vehicles must carry Electronic Fiscal Device (EFD) machines

PROCEDURE & POLICY

TIME COST

<h2>1 Development of Business Plan</h2> <p>Note that any financial information shared in this guide should be used as a tool only. Investors are responsible for the development of their own business plans which should include capital and working financial requirements applicable to their specific situations.</p> <p><i>*Foreign investors must begin the registration process with the Tanzania Investment Centre (TIC)</i></p>		
<h2>2 BRELA Registration</h2>		
Company name search and incorporation	7 days	167,200- 512,200 TSH (exclusive of any legal fees and/or document preparation costs)
<h2>3 Taxpayer Identification Number (TIN) from TRA</h2>		
Fill two forms: <ul style="list-style-type: none"> • Application for the company • Application for each shareholder/director 	2 days	no charge
<h2>4 Land Acquisition</h2> <p><i>In Tanzania, many areas of land do not yet have title deeds. For such land, the governing authority for the initial stage of land acquisition will vary: TIC for foreign investors; Ministry of Lands for 500+ acres; District Council for 50-500 acres; Village Council for <50 acres. For land with title deeds, the following steps apply:</i></p>		
<ol style="list-style-type: none"> 1) Obtain an official search at the Land Registry 2) Submit application letter to obtain evaluation (Ministry of Lands/local authority) 3) Obtain land rent clearance from the Ministry of Lands showing payment of rents 4) Notarization and execution of the sale agreement; preparation of the transfer deed 5) Obtain approval for transfer 6) Pay Capital Gains Tax 7) Deliver Transfer Deed to Registrar of Titles 	2-3 months	<ol style="list-style-type: none"> 1) 40,000 TSH 2) Fee depends on property value 3) No charge 4) Lawyer charges, approx. 3% of value 5) 5,000 TSH 6) Approx. 10% 7) Approx. 1% of value
<h2>5 Environmental Impact Assessment (EIA) for Land Use from NEMC</h2>		
<ol style="list-style-type: none"> 1) Submit feasibility study or B-plan 2) Fill out and submit form # 1 for project registration (along with project brief or scope report) 3) Investors must give timely and adequate information 4) Review report (EIA) 5) Database of Licensed/Registered Assessors is listed on nemc.or.tz 	3 months or more	<ol style="list-style-type: none"> 1) 200,000 TSH 2) no charge 3) no charge 4) no charge 5) consultant fees: EIA costs from 4 to 10M TSH



TIME COST

6 Water Use Rights from Ministry of Water & Irrigation

- | | | |
|---|--|---|
| <ol style="list-style-type: none"> 1) Registration with local water authority for each body of water, and then 2) Application to the Ministry of Water and Irrigation using Form A “Application for Water Use Permit” | <i>varies – dependent on local water authority</i> | charged according to project, determined by local water authority |
|---|--|---|

7 Permit from the Ministry of Livestock & Fisheries

- | | | |
|---|--------|-----------|
| <ol style="list-style-type: none"> 1) Application letter to Permanent Secretary - Fisheries, Ministry of Livestock and Fisheries 2) Duly filled Form 7 “Application for a Permit to Establish a Commercial / Large Scale Aqua Farm” 3) Attachments to Form 7 <ul style="list-style-type: none"> • Proof of land ownership / Title Deed (from Step 4) • Environmental Impact Assessment certificate/approval (from Step 5) • Farm(s) / Area Layout • Water Use Rights Permit (from Step 6) | 5 days | no charge |
|---|--------|-----------|

8 Local Government License (Permit)- Business License

- | | | |
|---|--------|-------------------------|
| <p>Must provide proof of:</p> <ul style="list-style-type: none"> • Certificate of incorporation • Memorandum and Articles of Association • Proof of Tanzanian citizenship or legal right of residency & work • Proof of a suitable company premises • Taxpayer Identification Number (TIN) | 6 days | 200,000 – 1,000,000 TSH |
|---|--------|-------------------------|

9 Certificate of Compliance from OSHA

- | | | |
|---|---------|--|
| <p>Application requirements:</p> <ul style="list-style-type: none"> • Fill out form 1(b) (original) • Factory or workplace drawings (simple copy) • Certificate of incorporation (authentic copy) or Certificate of compliance (BRELA) (simple copy) or Certificate of registration (BRELA) (simple copy) • Certified TIN certificate (authentic copy) • Business license (BRELA) (authentic copy) | 15 days | 50,000 - 360,000 TSH (depending on company size) |
|---|---------|--|

10 Fire Certificate from Ministry of Home Affairs

- | | | |
|-------------------------------------|---------|---------------------|
| Fire certification application form | 1 month | 60,000- 700,000 TSH |
|-------------------------------------|---------|---------------------|

KEY ORGANIZATIONS

GOVERNMENT ORGANIZATIONS

Ministry of Livestock and Fisheries (MLF)

🌐 www.mifugouvuvi.go.tz

✉ ps@uvuvi.go.tz

Business Registrations and Licensing Agency (BRELA)

🌐 www.brela.go.tz

✉ usajili@brela.go.tz

Ministry of Home Affairs

🌐 www.moha.go.tz - Kiswahili

✉ ps@moha.go.tz

Ministry of Lands

🌐 www.lands.go.tz

✉ ps@lands.go.tz

Ministry of Water [water use]

🌐 www.maji.go.tz

✉ ps@maji.go.tz

National Environment Management Council (NEMC)

🌐 www.nemc.or.tz

✉ dg@nemc.or.tz

Occupational Safety and Health Authority (OSHA)

🌐 www.osha.go.tz

✉ info@osha.go.tz

President's Office – Regional Administration and Local Government (PO-RALG/TAMISEMI)

🌐 www.tamisemi.go.tz

✉ ps@tamisemi.go.tz

Tanzania Bureau of Standards (TBS)

🌐 www.tbs.go.tz

✉ info@tbs.go.tz

Tanzania Investment Centre (TIC)

🌐 www.tic.go.tz

✉ information@tic.go.tz

Tanzania Revenue Authority (TRA)

🌐 www.tra.go.tz

✉ services@tra.go.tz

ASSOCIATIONS

Aquaculture Association of Tanzania (AAT)

🌐 www.aat.or.tz

✉ info@aat.or.tz

IMPACT CLUSTER

FoodTech Africa

🌐 www.foodtechafrica.com

✉ info@foodtechafrica.com

PARTNERS

Embassy of the Netherlands in Tanzania

🌐 www.www.netherlandsworldwide.nl/countries/tanzania/doing-business/agriculture-in-tanzania

✉ dar-lnv@minbuza.nl

Private Agricultural Sector Support Trust (PASS)

🌐 www.pass.or.tz

✉ pass@pass.or.tz

LEARNING INSTITUTIONS

Fisheries Education and Training Authority (FETA)

🌐 www.feta.ac.tz

✉ info@feta.ac.tz

Sokoine University of Agriculture (SUA)

🌐 www.sua.ac.tz

✉ sua@sua.ac.tz

Tanzania Fisheries Research Institute (TAFIRI)

🌐 www.tafiri.go.tz

✉ tafirihq@tafiri.go.tz

University of Dar es Salaam (UDSM) – College of Agricultural Sciences and Fisheries Technology (COAF)

🌐 coaf.udsm.ac.tz

✉ coaf@udsm.ac.tz

University of Dodoma (UDOM)

🌐 www.udom.ac.tz

✉ info@udom.ac.tz

AGRICULTURAL BANKS

Tanzania Agricultural Development Bank (TADB)

🌐 www.tadb.co.tz

✉ info@tadb.co.tz

NMB Bank

🌐 www.nmbbank.co.tz

✉ agribusiness@nmbtz.com

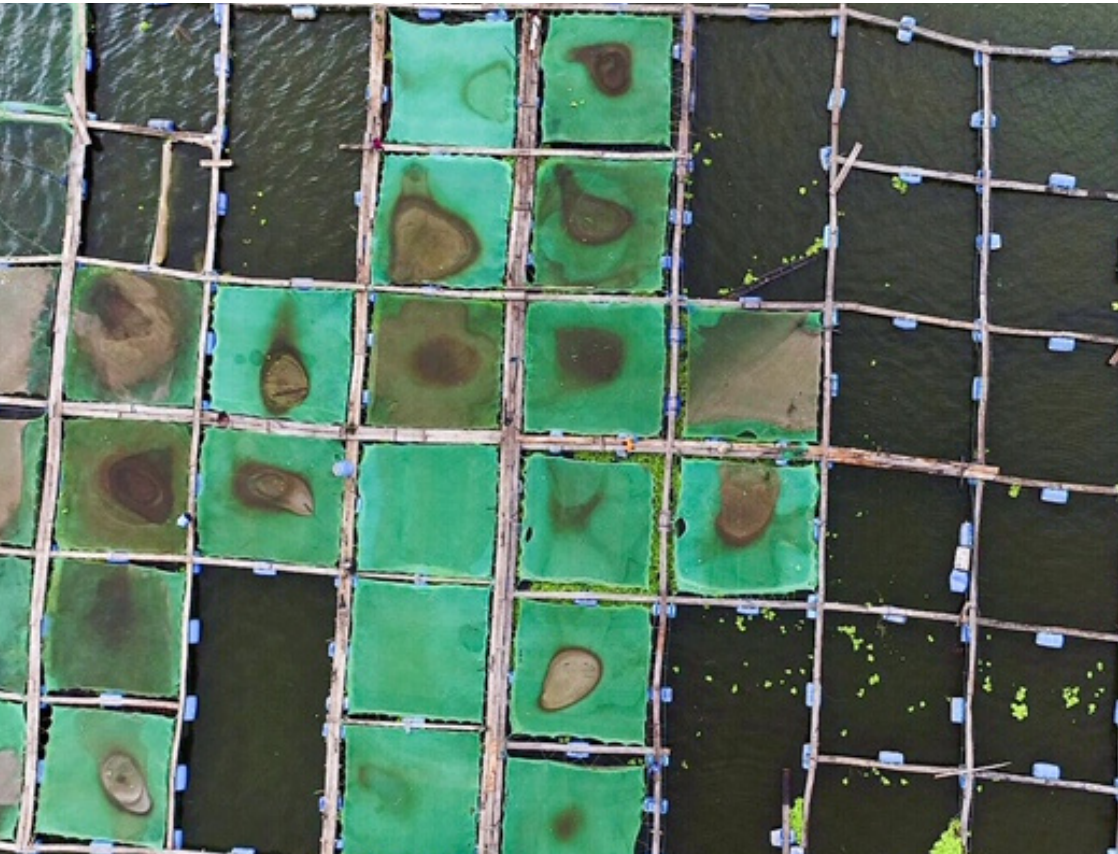
Financial Sector Deepening Trust (FSDT)

🌐 www.fsdt.or.tz

✉ info@fsdt.or.tz



The **Impact Cluster Tanzania** aims to support the Tanzanian aquaculture sector through the demonstration of farming technology, high-quality inputs, training and technical support. This Impact Cluster combines the expertise of Dutch and Tanzanian partners in aquaculture. The demonstration farm can be visited at Righa's Safina's BigFish farm in Kigamboni.



INVESTMENT GUIDE FOR AQUACULTURE IN TANZANIA JULY 2021

Disclaimer: All prices and costs are indicative only. Any financial information shared in this guide must be used solely as a tool. It is recommended to develop a business plan. Investors are responsible for the development of their own business plans which should include capital and working financial requirements applicable to their specific situations.