



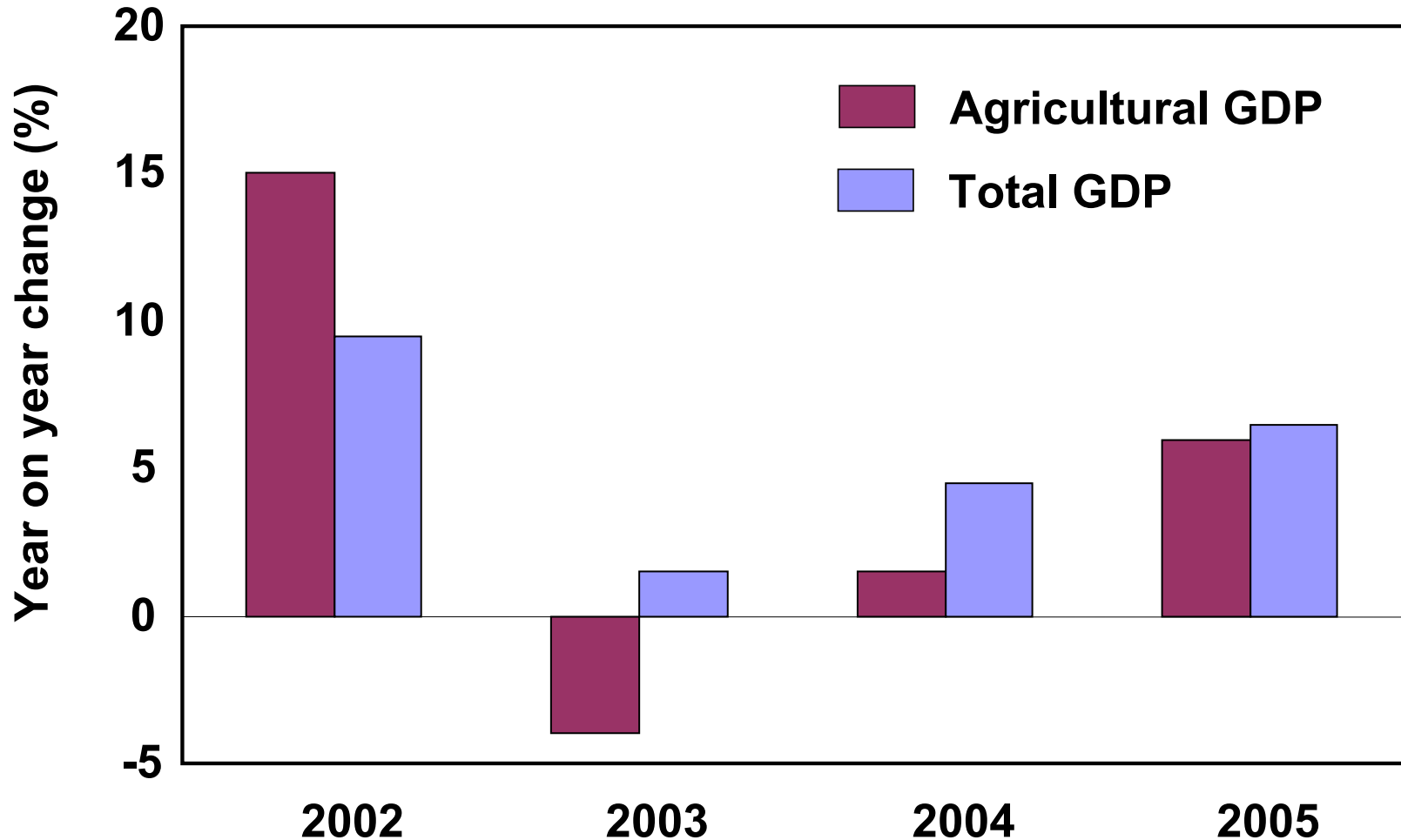
Agriculture in A changing world

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Characteristics of Agriculture in Africa

- Largest contributor to GDP (32%)
- Main source of income for 70-80% of population (80)
- Low Productivity
- Food balance sheet characterized by imports and food aid
 - 30-50% of population not receiving adequate food
- Main source of Foreign exchange (80%) (coffee, tea and pyrethrum)
- Poor average annual growth (less than the pledged 6%)
- Low investment below the Pledged 10% of the budget
- Small part of the population 25% is urban (poor purchasing power)

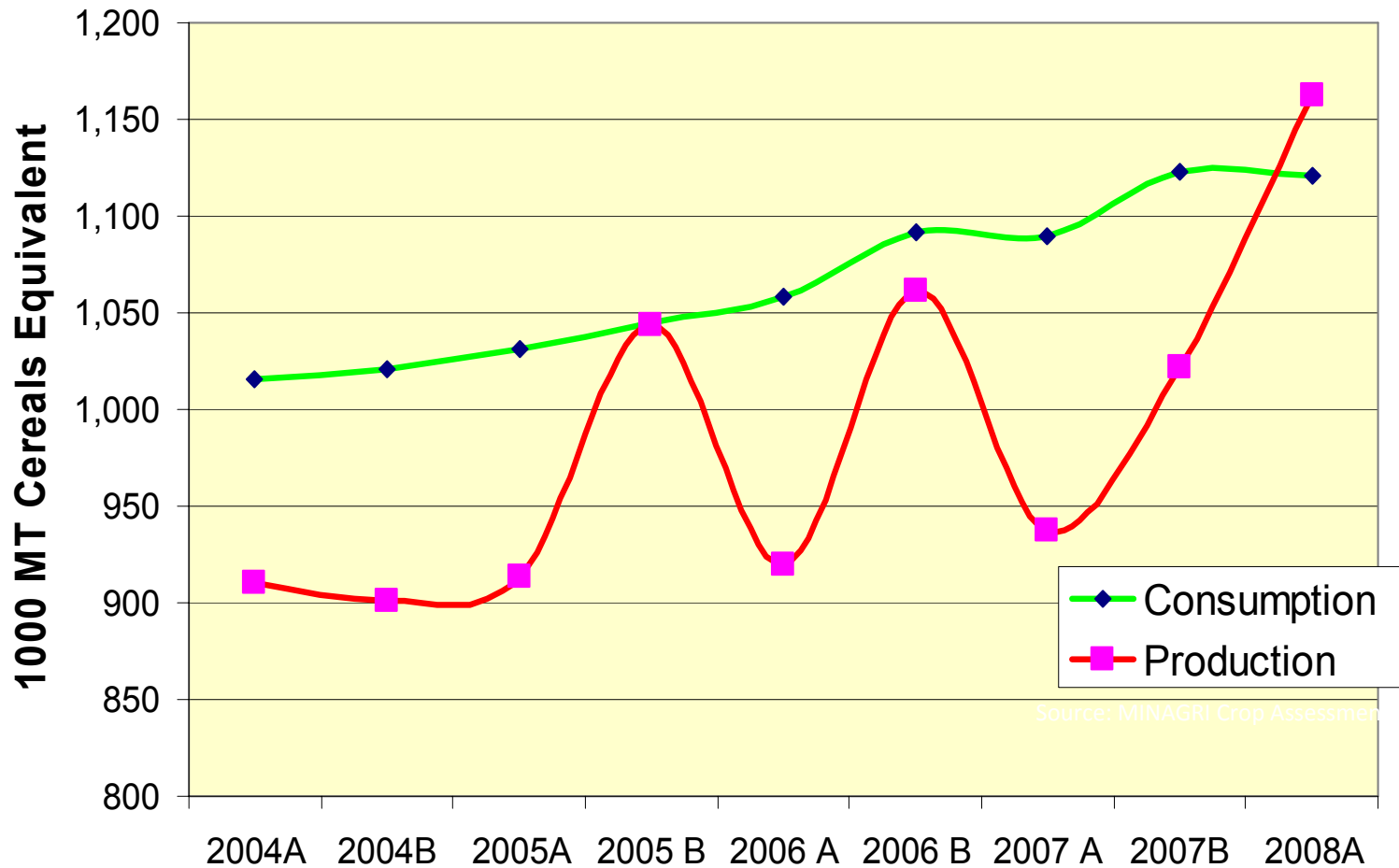
An agrarian economy (Rwanda)



Agricultural GDP drives over all GDP

Most important sector in terms of employment and income

Food Consumption needs higher than production



Source: MINAGRI Crop Assessment

Challenges facing the Agricultural sector

- Low investment
- Rain fed Agriculture
- Land degradation and desertification
- Climate change
- Increasing population pressure
- Poor markets and market access
- Global issue- the food, financial and fuel crisis
- Governance issues
- Lack of and poor access to technology

African countries spend on average 4-5% of their budget compared to 8-14% in Asia

- Some countries have increased investments including Mali 11%, Burkina Faso 15% and Ethiopia 17%
- These are among only 13 countries on the path to the 6% annual growth rate pledge made by African leaders in 2003 under the Comprehensive African Agricultural development Program (CAADP).
- Others including Malawi and Rwanda are making huge strides

Rain fed /Low input agriculture

- Only 5% of arable land is irrigated, 3% in N Africa vs to 40% in Asia
- Lowest level of fertilizer use - world: 8kg/ha vs 100kg/ha global average

Crop Yield very low Comparison t/ha (1999-2003 Average) FAO

	Rwanda	Burundi	Ethiopia	Tanzania	Uganda	Africa's average	World average
Maize	0.8	1.1	1.8	1.6	1.8	1.3	4.4
Sorghum	0.9	1.2	1.3	1.1	1.5	0.8	1.3
Cassava	6.1	9.0	n.a	10.2	13.2	8.9	10.6
Sweet Potatoes	5.8	6.5	9.6	1.9	4.4	4.6	14.9
Potatoes	8.0	2.6	9.1	6.9	7.0	7.7	16.3
Plantains	6.5	5.2	16.0	2.2	5.9	5.6	6.3
Beans	0.7	0.9	0.6	0.7	0.7	0.6	0.7
Peas	0.5	0.7	0.7	0.4	0.6	0.7	1.7
Coffee	0.7	0.9	0.9	0.4	0.7	0.5	0.7
Tea	1.3	0.8	1.0	1.3	1.9	1.9	1.3

Desertification, Land degradation and Climate change

- Yield increase seen as increasing land under cultivation. This has led to Africa having a deforestation rate that is 200% higher than the global average (IFDC).
- Land overuse and increasing population pressure is leading to soil loss and nutrient mining:
 - Rwanda alone loses 40 million Mt of soil each year
 - Africa is estimated to lose \$4.5 billion of soil nutrients every year (IFDC)
- Climate change –harsh reality for rain fed agriculture
 - Predictability of seasons is important (timing and amount)
 - Impact may have on pest pressure
 - Overall, it is believed that climate change will affect agriculture yields in Africa by 35-50 % in the next few decade

Subsistence agriculture on highly fragile systems



- Rwanda loses 40 million Mt of soil each year- flooded valleys

Flooded farms and valley bottoms



Poor markets and market access

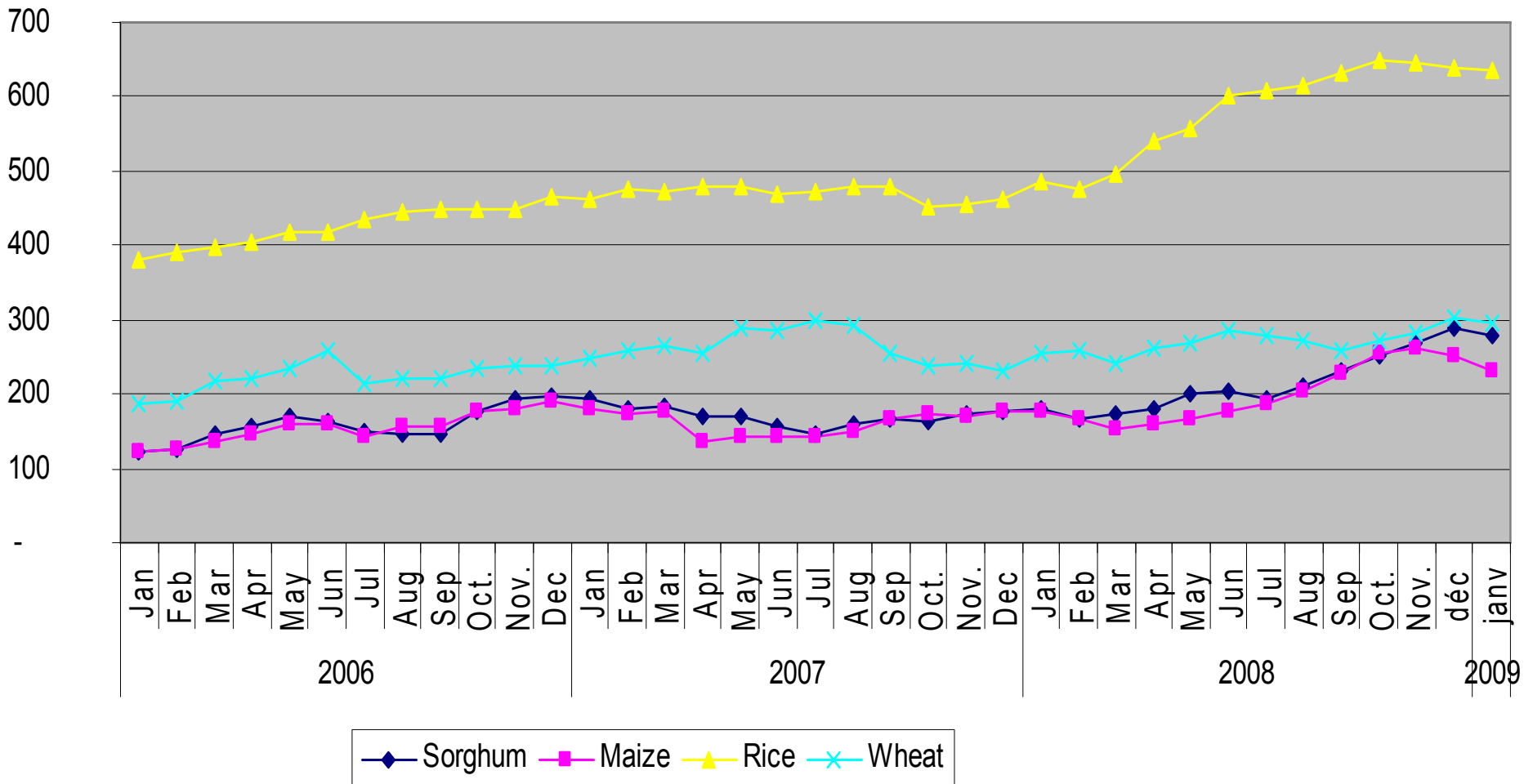
- Critical to breaking the poverty trap of African farmers
- Mismatch in production increase and market access and or transformation
- Nigeria is the world cassava producer but does not export cassava
- Improving market access means lowering transaction costs: transport, storage market info etc
- Removing trade barriers regionally and increasing Africa's share of international trade
- Investing in Agro processing e.g. staple crop processing zones

The food crisis

- Food prices hiked with the food crisis, went down a bit but have remain high and volatile
- The global food prices of some commodities doubled- stimulated agriculture locally
- The fall of commodity prices following the financial crisis presents a really danger that farmers will get stuck with supplies (rice-Senegal, Tea Kenya)

Food price remain high even locally

Cereals market price 2006-2008

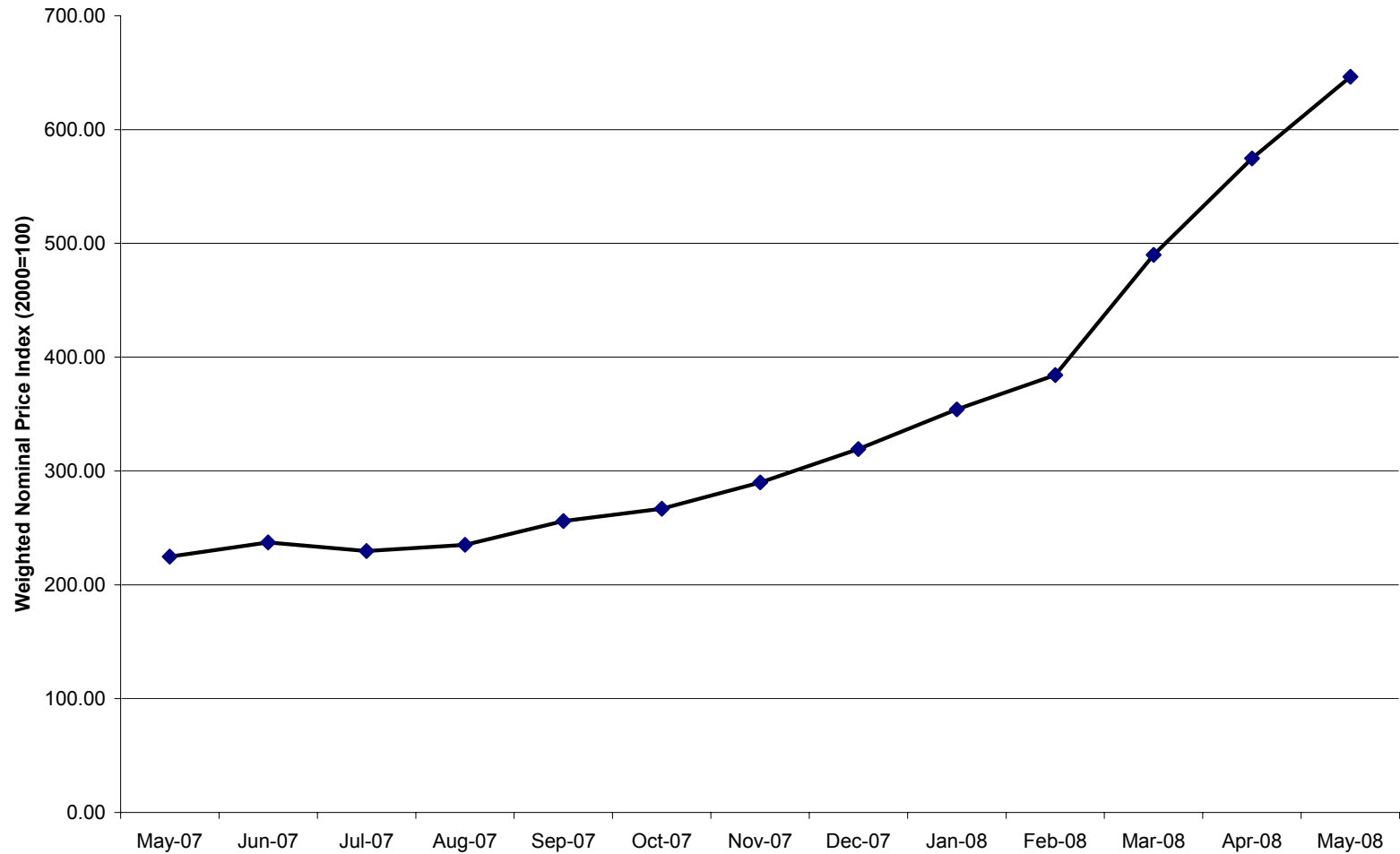


Impact of the global financial crisis

- Agric financing has been poor, will get worse
- Climbing interest rates
- Fall of major export commodities
- Urban and rural unemployment are rising
- Foreign direct investment that had reached \$53 billion in 2007 has slowed
- Promises of official development assistance are showing signs of passing unmet
- Net food importing countries suffered the most– Africa's food import bill doubled to 15billion in 2008-Kenya

- **The combination of the food and financial crisis is likely to push more people in Africa into hunger and under poverty line.**

The Fuel Price crisis and fertilizers



- African countries affected the most-land locked
- Pushed fertilizer prices out of the reach of most farmers
- Made input subsidies necessary

Governance (Prioritization and accountability)

- Corruption vs accountability have resulted in denied support to Africa
- Prioritization is critical to agriculture development
- Because Agriculture in Africa touches more than 65-80% of population
- Requires public investment and putting in place the right policies
- The rights and interest of 50-70% of the farmers (women) need to be protected and defended

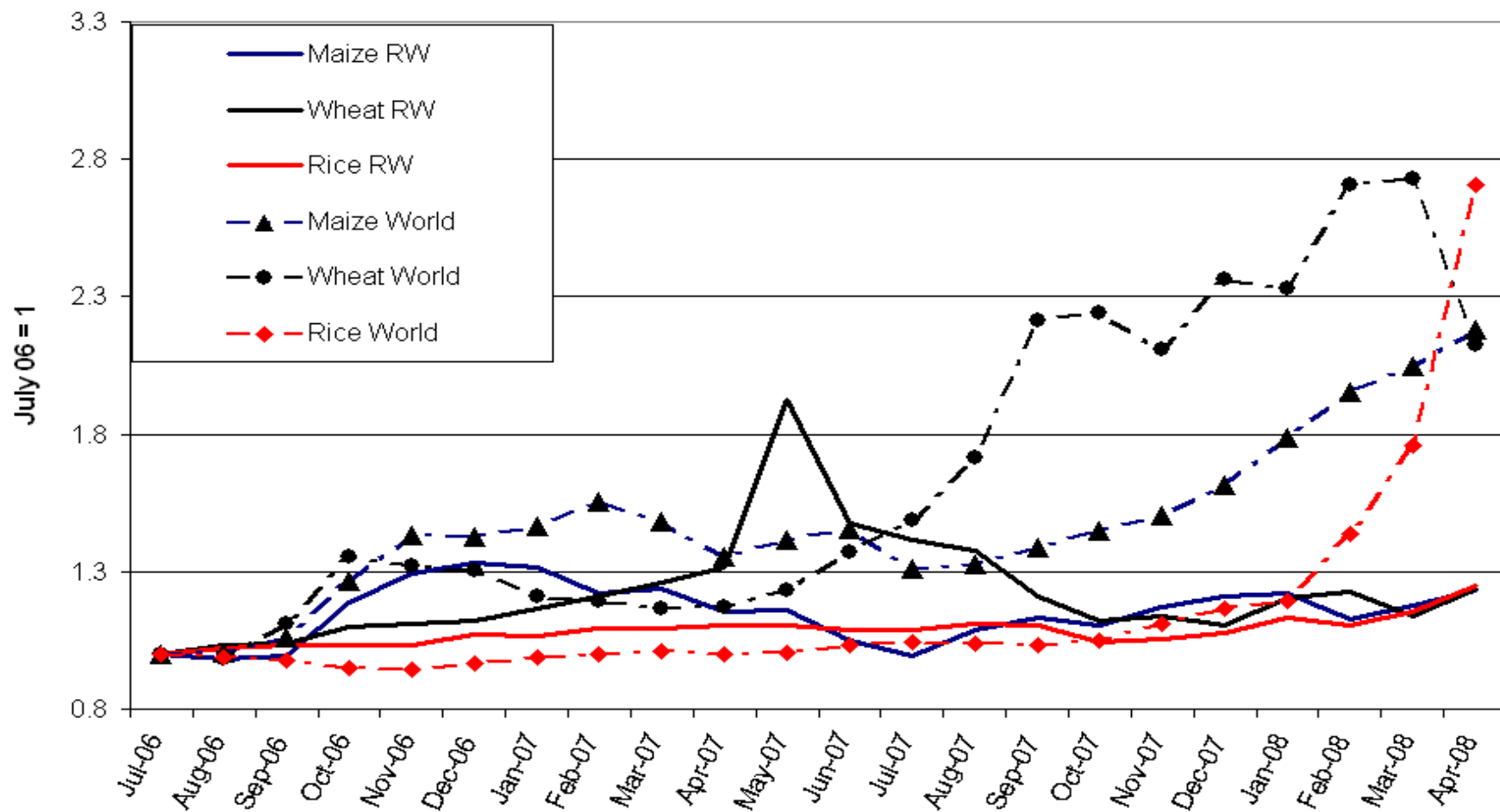
Prioritization and the path out of poverty

Rwanda

- Increased Agricultural financing
- Soil and water resource management
- Crop intensification through improved access to inputs
- One Cow per household-targeted nutritional improvement
- Increasing PPP for Agricultural value addition

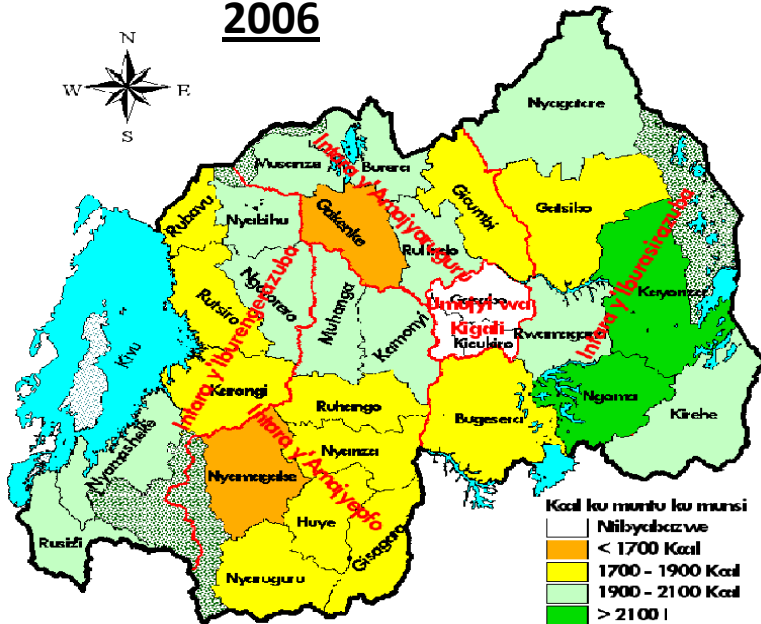
Increase in food grains (maize, rice, and wheat) prices following the food crisis -Impact of right policies (Rwanda prices vs world market prices...)

Index of grain prices in Rwanda and world markets, July 06 - April 08



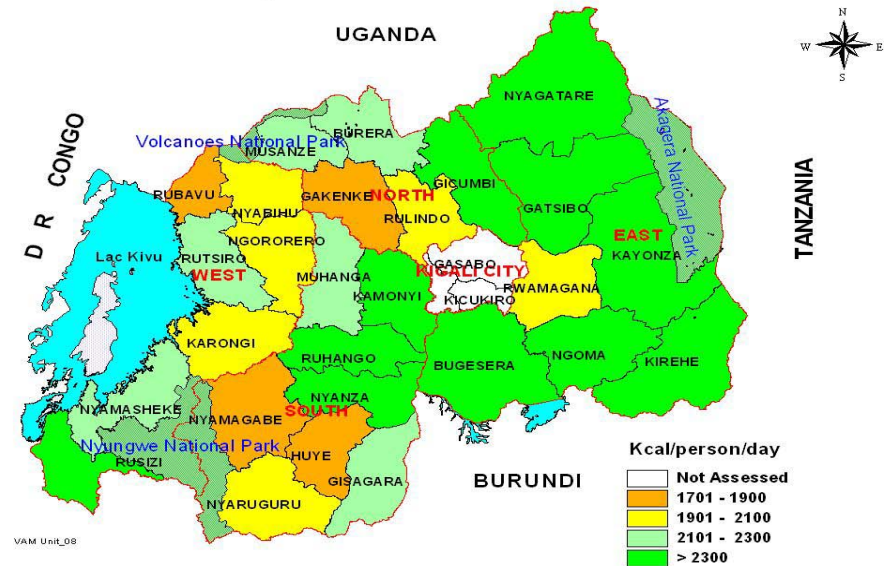
Opportunities: Short turn around- responds fast to investment

2006



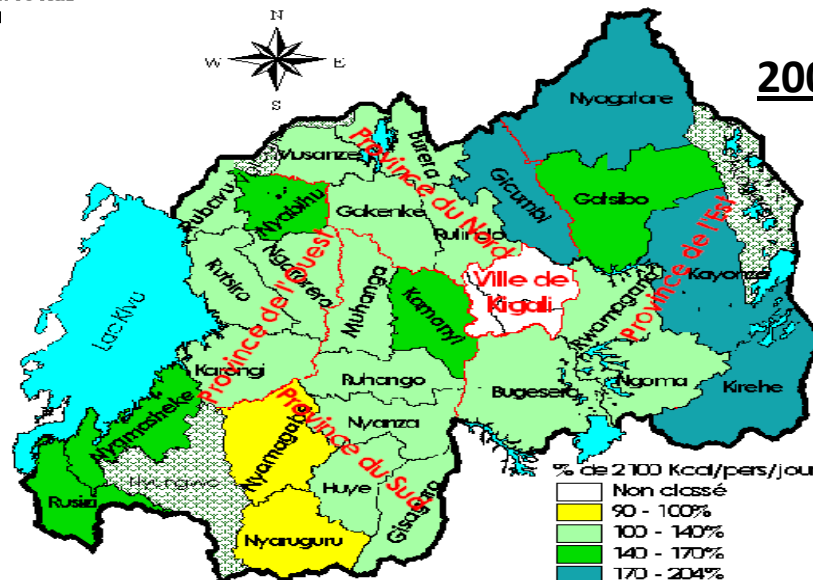
CROP ASSESSMENT_2008a

2007

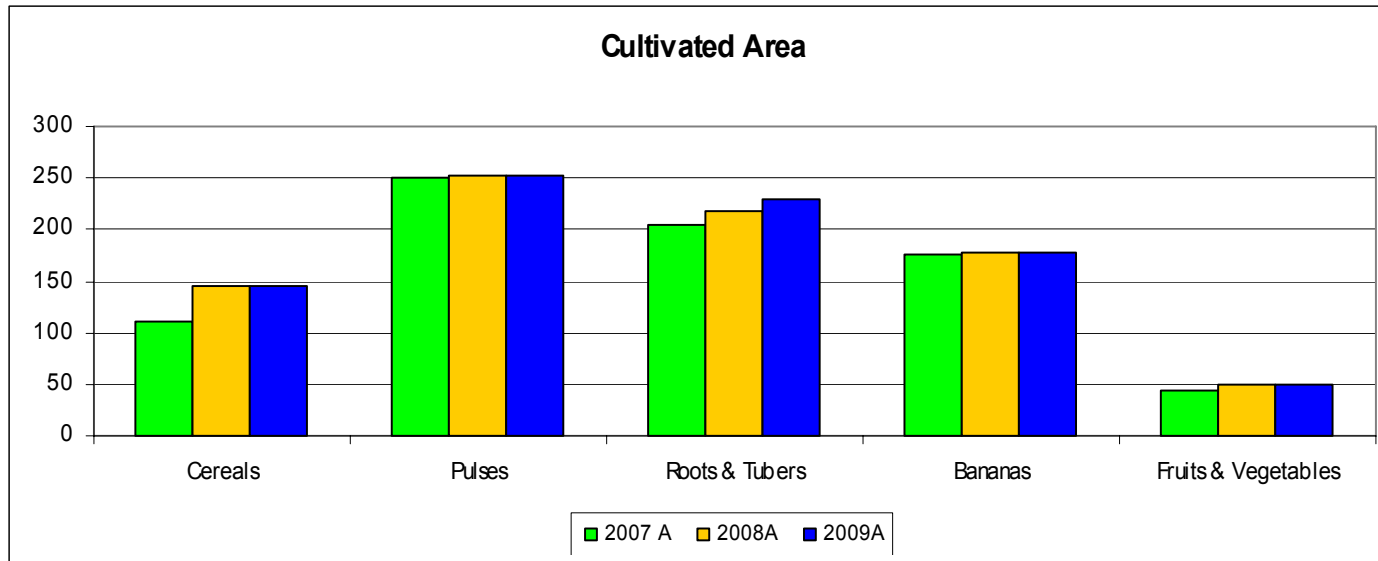


Food security evolution of three years

2008



Increase productivity instead of cultivated land (Agric growth = 19% over previous season)



•61% increase in maize production by intensifying production on 5% of cultivated area



Move towards an African green revolution with clear lessons from Asia

- Asia doubled its cereal production between 1975 and 1995 but area under cultivation increased by only 4%
- High yielding varieties (Rwanda 2 to 6-8 ton/ha although national averages are still low)
- Increase outreach and amount of fertilizer use-bearing in mind the impact of excessive use on the environment (efficient fertilizer use technologies – IFDC)
- Exploit diverse agro ecological zones to secure food diversity and sufficiency

An African green revolution-Agro ecologies



More opportunities....

- Abundant water resources for irrigation though –high potential for water harvesting
- Current interests in formation and strengthening of regional blocks - unblock trade thus stimulate production
- Hard working population, develop a no farmer left behind approach in access to means of production: Rwanda uses vouchers and land consolidation
- Recent interest in African agricultural potential needs wisdom, transparency and inclusion
- Increasing income for farmers through value adding infrastructure (post harvest infrastructure and rural roads)

No farmer left behind - access to means of production

- Introduce and design subsidies to reach all -vouchers (Rwanda and Malawi)
- Land consolidation to reach small owner (Rwanda)
- Empowering women- favorable land and inheritance laws
- Mechanize to improve efficiency and productivity



The right political will- an opportunity too

- Identifying challenges
- Setting Priorities to match
- Building institutions-to take on the challenge
- Recognizing the role of women in family and nation
 - Zero tolerance on corruption
 - Result oriented implementation
- Recognizing the central role of Agric
 - Building review and accountability mechanisms-national dialogue, government retreat, thematic reviews



Building the future: A shared vision and Common goals

- Africa needs to increase agriculture spending not to 10% but to 20-25% to cut poverty by half by 2015 (IFPRI) translating into about \$35 billion per annum.
 - Of the \$22 billion commitment to FAO in 2008 only \$2 bn have been disbursed
- WB response to the food crisis is commendable; more recent pledges on food support by EU
 - Corruption can not be used not to honor pledges -**Demand accountability**

Then??



Now !!



Thank you for your attention

**With just a little bit of support --these farmers
can do it!!**

