

African Agriculture in the 21st Century: Meeting the Challenges, Making a Sustainable Green Revolution

Keynote speech delivered by

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H.E. Mr. Nahas Angula, Prime Minister of the Republic of Namibia;

H.E Ms. Netumbo Nadi-Ndaitwah, Minister of Environment and Tourism
of the Republic of Namibia;

H.E. Ms. Gerda Verburg, Minister of Agriculture, Nature and Food
Security, The Netherlands;

Mr. Sha Zukang, Under-Secretary General of the United Nations;

Honorable Ministers; Heads of Agencies;

Farmer leaders; partners from the civil society;

Ladies and gentlemen:

It is a great honor to be here with you today, at this critical moment in the history of our great continent, to address an issue that is central to the survival of millions of Africans: how to achieve an African Green Revolution that puts an end to poverty and protects the environment.

It is fitting that we meet today in Namibia, a nation whose people and thirty-year struggle for independence exemplify the courage and fortitude

of Africa. Since Namibia and all of Africa gained its independence, our continent has tackled enormous challenges and made enormous progress. Yet many challenges remain, chief among them the need to transform African smallholder agriculture from a poverty trap to an opportunity for prosperity. Our generation must rise to the challenge of ending hunger and poverty, once and for all.

In recent years, African leaders have rededicated themselves to this effort. They did so in 2003, under the leadership of the African Union and NEPAD, when they adopted the Comprehensive African Agricultural Development Program, or CAADP. Through CAADP, African heads of state agreed to commit the resources needed to achieve 6 percent annual growth in agriculture. By 2005, 13 countries had reached growth rates of at least 5 percent a year and many were closing in on or exceeding the goal of 6 percent target.

But the global food crisis and financial crisis has left its mark. Interest rates are climbing, exports of major commodities are falling and urban and rural unemployment are rising. Foreign Direct Investment—which rose from \$2.4 billion in 1985 to \$53 billion in 2007—has slowed and reversed in some countries. Promises of Official Development Assistance are unmet. Since the onset of the crisis, African economies have shed 2 to 3 percent of their Gross Domestic Product.

Perhaps of most concern: food prices and supply remain extremely volatile. The global prices of major staple foods went from doubling, tripling and quadrupling in 2007-2008 to a more recent decline. None of this has benefited our farmers or consumers.

The rise in prices drove more people into poverty and hunger and increased malnutrition. Today, 300 million Africans face chronic hunger. Net food importing countries suffered as prices rose. The high food prices more than doubled Africa's food import bill to over \$15 billion in 2008. The fiscal, economic and social impacts of the food crisis are high and widespread. Food riots exploded in many countries. This has a reason: the poor spend a greater share of their incomes on food. They must spend more to buy less, increasing the ranks of the extreme poor.

But exponential food price increases have halted—for now. The global financial crisis has weakened commodity demand, and food prices have dropped by 30 to 40 percent. It is therefore easy to think that the food crisis is over. That would be a mistake.

Excuse me, this is just calm before the storm. Complacency is not an option.

Food prices remain impossibly high for most African consumers. And the drop in commodity prices has now hit those farmers who invested in expanding agricultural production in order to benefit from the higher prices of 2008. Rice farmers in Senegal who took out loans for fertilizer and seed face a bad situation: big debts and little income. With the lower rice prices they will clearly not invest for next season's production—and the vicious cycle will be replayed.

The next food crisis must not catch Africa again by surprise.

Conventional thinking has it that the solution to hunger lies not the ability to produce food, but in access to food. In Africa, the food crisis tested

that theory and proved it wrong. Even when food-deficit developing countries wanted to buy food there was none: some of the major exporters had placed bans on food exports, which worsened price volatility and threw millions of the poor deeper into hunger and poverty. There is need for a paradigm shift: African countries need to move away from reliance on food imports, to securing their food supplies through rapid, sustainable increases in food production. No nation can be said to be truly independent and sovereign if it is unable to secure its own food supplies. Africa must start to view food security with the same priority given to national security. After all, no nation farms out its national defense to the market.

Food sovereignty means nothing unless Africa is able to feed itself. That is what we must solve.

It is time to invest in agriculture and to do it right.

We must unlock the potential of agriculture in ways that allow countries to rapidly boost their national food security and household food security. Clearly, greater gains will be made by focusing on the continent's natural *breadbaskets*—areas with relatively healthy soils and good rain fall, and at least a minimal base of infrastructure—in each distinct agro-ecological zone.

The resulting breadbasket harvests of a variety of crops will enable Africa to help feed itself, send food from surplus areas to deficit areas, and allow more food aid to be purchased in Africa.

But efforts to raise food production in these breadbasket areas must

focus on smallholder farmers, who form the majority of the farming population. We must avoid the temptation to focus on large-scale commercial agriculture that displaces smallholder farmers and vulnerable rural populations.

And, at the same time as breadbaskets are fortified, we must work to ensure that areas with lower agricultural potential and vulnerable populations are not left behind. Let us leave no farmer behind.

It is clear that African agriculture has enormous potential. Recognition of this potential can be found in the current rush for African land by countries and companies based outside our continent. Their hope is to produce food in Africa that can be exported to ensure their own food security, and to boost their own earnings.

In recent times, China, South Korea, Qatar and others are making investments in large African land acquisitions. The expected foreign investment into agriculture could benefit African countries, especially in the development of much needed infrastructure.

However, there is need for greater transparency and inclusion as these land deals are discussed. Civil society and farmers should be included. The rights of communities, especially smallholder farmers, should be protected—through what the International Land Coalition has called “Equitable Community-Investor” partnerships.

Potential can be squandered. Africa cannot afford to let this happen.

A Uniquely African Green Revolution

Today we need an African Green Revolution that rapidly and sustainably increases the productivity and incomes of smallholder farmers, mostly women, promotes equity, and protects the environment.

In developing a uniquely African Green Revolution, we can learn from the Asian Green Revolution, which holds both positive and negative lessons.

On the positive side, the rapid uptake of the high-yielding crop varieties, fertilizers and irrigation helped Asian countries to feed themselves. From the brink of mass starvation in the 1960s, the region became a major food exporter. Cereal production doubled between 1970 and 1995; area cultivated grew by only 4 percent; saving millions of hectares of land. According to the International Food Policy Research Institute, the total number of people in absolute poverty in Asia declined from 1.2 billion in 1975 to 825 million in 1995. As the price of food declined, the rural and urban poor benefitted from increased real wages and employment. The Green Revolution benefited many—although not all—smallholder farmers.

But mistakes were also made. Overuse of fertilizers and pesticides created environmental and health problems. The reliance on monocultures led to losses of genetic biodiversity. As India's Dr. M.S. Swaminathan has said, with India's population now topping one billion people, challenges remain of advancing productivity without causing environmental and ecological harm, and of putting in place agricultural policies that provide work, income and food security for all.

In any human endeavor, mistakes are inevitable. But the fear of mistakes must not prevent Africa from trying—and doing so in its own way, learning from history. Albert Einstein once said: “Anyone who has never made a mistake has never tried anything new”.

We must try something new: a uniquely African Green Revolution.

One cannot simply transfer the Asian model to Africa. Africa has many more crops than in Asia, ranging from maize, sorghum and millet, cassava, grain legumes and rice. The African Green Revolution must protect and augment this diversity and respect local food preferences. The local knowledge of farmers will allow scientists to develop better crop varieties that are better adapted to complex agro-ecologies across Africa.

Furthermore, less than 5 percent of the arable land in Africa is under irrigation, compared to more than 40 percent in Asia. It will be critical to improve efficiency of water use, especially through small-scale irrigation, drip irrigation while combining these with improved water harvesting.

An African Green Revolution must also revive our soils, the most degraded in the world. The level of use of fertilizers in Africa is the lowest in the world, averaging only 8 kilograms per hectare compared to a global average of over 100 kilograms per hectare. If cash crops are removed, average use of fertilizers on food crops in sub-Saharan Africa is barely 1 kilogram per hectare. Because of extensive agricultural land use practices the rate of deforestation in Africa is 200 percent of global average. Over 95 million hectares of land suffer from soil nutrient

depletion. To put it in stark terms: Africa loses an estimated \$4 billion worth of soil nutrients annually.

Restoring soil fertility will require complex systems of natural resources management, efficient and environmentally sound use of organic and inorganic fertilizers, expanded use of biological nitrogen fixation with grain legumes and vastly better water management.

Finally, the African Green Revolution will take place in the context of an unprecedented challenge: climate change, which threatens African agricultural yield by 35 to 50 percent in the coming decades. More than ever it is critical to conserve Africa's crop biodiversity, which is the source of traits for all future crop adaptations, whether to deal with intensified droughts or more volatile weather or significantly higher seasonal temperatures.

And so, for African agriculture to blossom, growth in productivity is not enough. We must be sensitive to the impacts on the environment. The rising demand for land for agriculture and energy, and the reliance on extensive land use practices pose challenges for the environment and for biodiversity. Africa's Green Revolution must proceed in ways that reduce agriculture's environmental footprint, reduce vulnerability to climate change and help agriculture deliver more environmental services.

Furthermore, the Green Revolution in Africa must focus on the specific needs of women farmers, who make up 70 percent of farmers and 80 percent of food processors, yet who lack equitable access to finance, to education and to land. Many do not have security of land use rights.

National policies should promote equitable access to land for women farmers, secure the land rights of vulnerable populations and pastoralists, and promote participatory land policies that empower local communities. There will be need in some areas for land redistribution to ensure that all can benefit from agricultural productivity growth.

Decentralization of land registration can help secure the land rights of the poor. For example, in Madagascar, the cost of registering land has declined from \$507 per acre to only \$8 per acre due to decentralization of land registration.

Clearly, our Green Revolution must be “homegrown.”

So let us leave behind us the idea that an African Green Revolution is a foreign import that will overwhelm Africa. Let us deal not with preconceived or rigid notions, but with reality. Small-scale farming needs to modernize, and to do so in environmentally sound ways.

As an African who grew up in a village, I witnessed the impact of rudimentary farming on the livelihoods and health of farmers and their families. I learnt at an early age that there cannot be an end to poverty until farming is profitable for farmers. I noticed that farmers could not produce enough to feed their families. The village had high levels of malnutrition and disease. Many could not send their kids to school. There was misery everywhere. I was just one of the fortunate ones to get an education and make it out of poverty.

As I look back, it is shocking that the situation for the African farmer has not changed much. It is time for change. We cannot be seen as the world's largest museum of human poverty.

We want the Right to Food and to Food Sovereignty. We don't want the right to be poor. We don't want the right to be hungry. We need to modernize African agriculture using the best farmer knowledge and the best agricultural science and technology.

What is needed today is a revolution: of ideas, of technologies, of policies, of market access and incentives—and new thinking on development financing to help Africa achieve its Green Revolution.

To succeed in transforming smallholder agriculture, we need first and foremost to work together, and respect a diversity of approaches, even as we seek answers to the most pressing challenges facing Africa's smallholder farmers.

Smallholder farmers urgently need access to basic inputs like high quality seed, organic and manufactured fertilizers, and secure water supplies. The poorest farmers will only gain access with the help of government supported subsidies, but tens of millions of others would benefit by simply being able to take out an affordable loan—which is rare in many countries.

We can change this. African banks have capital resources. But loans go to communications, energy and real estate, while agricultural lending is miserably low. We need to unlock and leverage the power of commercial banks to work for smallholder farmers. This can be achieved by reducing the risk of lending by commercial banks using loan guarantees.

The Alliance for a Green Revolution in Africa, AGRA, is working with its partners to do this. In Kenya, AGRA and the International Fund for

Agricultural Development/Government of Kenya put up a \$5 million loan guarantee fund through a joint venture programme with the Equity Bank of Kenya. As a result, Equity Bank is now lending \$50 million in financing, which has been made available to smallholder farmers, rural agrodealers and small businesses within the agricultural value chain. This program, and a similar one in Tanzania, could be useful models to scale up and accelerate affordable financing for farmers across the continent.

With finance, the right inputs and sustainable farming practices that revitalize the soil and make wise use of water, farmers will increase production. But they will need to be protected from risks of default that may arise due to unreliable rainfall. It is therefore important that weather-indexed crop insurance be developed and made affordable for farmers.

As farmers' production increases, they will need better access to markets. Uganda is the second largest producer of bananas in the world, yet it ranks at the bottom of the list in export of bananas. Nigeria, the world's largest producer of cassava, does not export cassava. Yet Thailand, which produces 10 percent of cassava globally, accounts for 80 percent of the value added. It is critical to promote value-added processing that will permit farmers to gain greater incomes from all their hard work producing these staple crops. This can be achieved through the establishment of staple crop processing zones, lowering taxes on import of agro-processing equipments and investing in rural infrastructure such as roads, energy and storage facilities.

Unless farmers can sell what they produce and sell it at a profit, poverty will persist. Within Africa, improving market access means lowering

transaction costs: the costs of transport, storage and market information. And it means ending the barriers to trade among African countries.

But these and related changes across the agricultural value chain will only come about within the framework of supportive policies: on national, regional and global scales.

Comprehensive Policy Support

Smallholder farmers need the full support of their governments. There is no farmer in the world that faces more challenges in access to finance, extension and subsidies to access farm inputs than the African farmer. Years of policies of neglect have left African farmers locked in low-level productivity and poverty traps.

African countries spend an average of just 4 to 5 percent of their total national budgets on agriculture, compared with 8 to 14 percent in Asia—and much more since the onset of the economic meltdown.

Progress is being made: Mali is now spending 11 percent of its total budget on agriculture, Burkina Faso 15 percent and Ethiopia 17 percent. But much more remains to be done.

A **Comprehensive Farm Support Package** is what is needed. This should include a balanced mix of targeted (smart) subsidies and investment in critical public goods, especially for agricultural research and extension, irrigation, roads and other rural infrastructure. The right balance will vary by country; the key is to ensure equity and balanced growth.

“Smart subsidies” benefit the poorest farmers. Vouchers issued and reimbursed by the government can be exchanged for quality seed and fertilizer at agrodealer shops across rural Africa. Voucher systems are working in countries like Tanzania, Kenya, Malawi, Rwanda, Ethiopia and Mozambique. In two short years, Malawi has used its smart subsidy program to help transform itself from being a net importer to a net exporter of maize—a revolution that is now being heralded across the world.

When it comes to farmer support, Africa can learn from the experience of developed economies. Agricultural subsidies in the OECD countries totaled \$258 billion in 2008 or 23 percent of incomes received by farmers. Agricultural Producer Support, as a percentage of total farm receipts, ranges from 65 percent in Norway, 63 percent in Korea and 33 percent in the EU.

The lesson here is clear: support to farmers is critical to feeding a nation.

But Africa also needs fair global trade regime that opens up overseas markets for what it produces. The United Nations Food and Agriculture Organization estimates that export earnings of the least developed countries have declined by 50 percent over the past forty years. A big part of the problem is high tariff and non-tariff barriers that continue to limit the access of African countries to markets.

Meanwhile, excessive subsidies in OECD countries continue to harm smallholder farmers. Mozambique loses an estimated \$106 million annually from high tariffs in the EU for sugar, while cotton subsidies in

the US have been estimated to cost sub-Saharan Africa about \$302 million. It is critical that the Doha round be concluded for the benefit of millions of poor smallholder farmers.

The Bottom Line

What then is the bottom line? What will it take to turn smallholder farming and African economies around?

A recent study by IFPRI finds that most countries would need to increase their agricultural spending by 20 to 24 percent per year to cut the poverty rate in half by 2015. A few countries, including Ethiopia, Ghana, Mozambique and Uganda, could reach this goal with no more than a 10 percent annual increase. And although half the countries will require less than \$500 million a year, total regional expenditure would need to reach \$33 to 39 billion annually.

While this figure may sound staggering, it isn't. In fact, it is just double the amount that Wall Street executives awarded themselves in bonuses in 2008, and a tiny fraction of the global rescue funds that have been pumped into the financial sectors of developed economies. African farmers are not seeking a bail out. They need a leg up.

Africa can and must invest in our smallholder farmers. But Africa cannot do it alone.

Achieving such scale of investments will require significant new financial commitments by the developed countries. While \$22 billion was promised at the FAO High-level meeting in Rome in 2008, so far only \$2

billion has been disbursed. The recent announcement of the EU to provide 1 billion euros in support of African agriculture is a significant and laudable development. It is critical that G-8 countries meet their promised commitments to Africa. The global financial crisis should not be a reason to pull back on the promises already made.

But these new resources must be channeled to assist African countries in scaling up its successes in agriculture. A new development financing framework for African agriculture could provide a transparent, quick-disbursing, evidence-based and predictable stream of funding to the governments. To this end, a new Financial Coordination Mechanism or FCM has been proposed at the recently concluded High-level meeting of the Global Partnership for Agriculture and Food in Madrid. This deserves our collective support. The fund, which is proposed to work through existing institutions, could serve as a focal point for channeling additional new funds for small holder farmers in all developing nations—especially in Africa.

Conclusion

In the end, a sustainable African Green Revolution will require:

- strong political will to support agriculture as the engine of growth;
- development and dissemination of appropriate agricultural technologies for diverse agro-ecological zones;
- accelerating access and affordability of farm inputs for farmers through a Comprehensive Farm Support Program;
- a participatory approach that closely involves farmers;

- innovative public and private partnerships in technology development, extension, financing and in expanding market access; and
- a transparent system for monitoring the impacts of agricultural production on the environment and biodiversity.

I am convinced that African leaders will make history again through their actions, and that their vision and conviction will enable all of us to mobilize the resources needed, and inspire collective action toward a common purpose.

It is time to end Africa's perennial food crisis. It is time for action. We have every reason to be optimistic. Every day brings more evidence of Africa's ability to increase its productivity: whether it is doubling of rice yields in the plains of Mali; or the turn-about in maize production by small-scale farmers in Malawi and Rwanda who made the most of government-subsidized fertilizer and seed; or the release of new drought-resistant varieties of maize that now allows farmers to better adapt to climate change. The momentum is building for a massive revolution.

The task now is to take these and countless other successes to scale. If we do, we can change history.

Excellencies, Partners in Hope, the challenges are clearly enormous. With unflinching resolve and determination—and inspired with pride and dignity—we can tackle them. For the next generation deserves nothing less than a better future—one with secure food supplies.

Hope can no longer be deferred and the time for action is now.

Let us draw inspiration from a son of Africa, whose roots were from a small village in Kenya, and who against all odds rose to become the first African-American President of the United States. It was he who said: “Yes, we can”.

Let this also be our song.

The present calls for action. The future yearns for hope. To both we must say today “Yes, we can.”

“Yes, we can end poverty and hunger in Africa. Yes, we will realize the Right to Food and Food Sovereignty. Yes—together—we can achieve a sustainable African Green Revolution, on Africa’s terms.

Yes, we can! And, yes—we will!