Transforming Agriculture to Power Africa’s Economic Transformation

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The case for transformation in African agriculture

- Agriculture contributes 30% of Africa’s GDP and about half of employment. If we can double incomes in agriculture, it will have significant poverty reduction impact. Will also raise national savings to finance transformation.
- Agriculture provides a major contribution to exports and foreign exchange that finances imports of other economic sectors
- Increased food production will improve food security, reduce food imports and release foreign exchange for critical imports, keep cost of living and wage increases moderate so African can leverage its labor-abundance for globally competitive manufacturing
- Provides basis for manufacturing and high-value services—agro-processing, manufacturing of inputs, and logistics and finance in agric value chains
- Africa’s Dual-Track to Industrialization: labor-intensive manufacturing; and agro-based manufacturing--Complementary
Opportunities and Challenges

- Close to 60% of the world’s uncultivated arable land
- Year-round sunshine could enable long growing seasons
- Growing urbanization, middle class, income growth provide expanding markets for food
- Youthful population

- Access to land and security of tenure
- Low farm productivity—access to modern inputs, knowledge, irrigation, mechanization
- Farming not profitable—access to input and output markets and to finance
- Weak value-chains—storage transport....etc
- Youth not attracted to agric; aging farmer population
Vision of a Transformed Agricultural Sector

Will have:

• A more productive and resilient smallholder sector
• A new class of educated and dynamic medium-scale commercial farmers
• A small, but dynamic large-scale commercial agricultural sector with strong linkages to smallholders and medium-scale farmers and respectful of community land rights
• Environmentally sustainable practices that also well-adapted to climate change;
• Well-developed value-chains and strong linkages to manufacturing and other sectors of the economy
• Equal opportunities to women and men in farming and throughout the agricultural value chain
Issues of Agric Transformation

• Improving access to land and tenure security
• Improving productivity on farms
• Making agriculture a profitable business
• Increasing production of key staples and diversification of products
• Leveraging agriculture to drive industrialization
• Expanding employment in Agricultural Value Chains
• Ensuring gender balance in opportunities created by agric transformation
• Taking care of the environment and taking account of climate change