Agriculture: Africa's growing needs

Steve Wiggins

For most of Africa, economic growth is unlikely to happen without agricultural growth. There are simply no alternatives. Except for a few countries, short and medium term prospects for manufacturing are limited, while mining and tourism are possible in relatively few locations. Over the past fifty years, sustaining agricultural growth in Africa has proved difficult. There were export commodity booms in the 1950s and 1960s and expanded grain production based on improved varieties and fertiliser in the 1970s and early 1980s.

Now we are in a phase of relying on the market to provide stimulus and investment. All have had successes, and all have run up against limits.

The context for today's policy-makers is tough. Promises of additional aid and trade liberalisation must be set against a discouraging backcloth of obstacles. These include: stalled growth in other sectors; poor governance and doubts about the capacity of the state; falling international commodity prices and in some cases the pending loss of ACP trade preferences; competition in export markets from Asia; and the scourge of HIV/AIDS.

Furthermore, it is dangerous to assume that there is one simple solution. Africa is a diverse continent with countries of different natural, economic and social conditions. Different factors apply to each. None the less, some generalisations are possible.

First, macro-economic conditions do matter. If interest rates are sky high, agriculture will be starved of funds. If states cannot raise revenue there will be too little investment in roads, agricultural research, health services, education, etc. that is the necessary complement to private investment.

Second, demand for produce is paramount. Farmers respond energetically when there is clear demand, whether this comes from international markets or growing cities, or is created by state agencies that guarantee to buy crops. Markets for high-value produce capture the imagination, but both home and abroad these are small markets, and they impose exacting requirements of quality and timeliness. The most promising markets, still with much growth potential, are domestic.

The International Food Policy Research Institute estimates that the domestic market for African agricultural produce in the late 1990s was worth more than three times that of export markets. And prices to farmers can be boosted if the cost of getting goods to market (and back again with farm inputs and consumer goods) can be reduced by better road and rail links. African road freight rates can be several times unit costs in Asia.

Female farmers in Hai, northern Tanzania: female farmer hoes an intensive field of maize and beans (©ODI)

Third, state agencies used to take on responsibility for services and finance to agriculture. But the private sector has been reluctant to invest in processing and warehousing, or to offer farmers credit or stock fertiliser and seed. Do we need to resurrect the state agencies, avoiding the excessive costs they ran up in the past? Or will large corporations prime the pumps, perhaps with the assurance that they have some (temporary) monopoly privileges to safeguard their investments? Can farmer associations fill the gap and, if so, with what kind of support?

> 'The context for today's policy-makers is tough. Promises of additional aid and trade liberalisation must be set against a discouraging backcloth of obstacles'

Fourth, in some areas land tenure is key. Longstanding customary rights to land typically exist in parallel with the provisions of national statutes, creating ambiguities that fuel conflicts and prevent land being pledged as collateral for credit. Surveying and titling is expensive, and outcomes threaten female farmers' rights and secondary and temporary rights to land important to the poor. Strengthening local adjudication to allow flexible responses to circumstances is a promising alternative.

Fifth, most agricultural development policies have to be responsive to local context: the general ideas sketched above will require tailoring to context. Policy-makers need to allow for this, for example, by providing funds that farmer groups can apply for, in open competition, to undertake trials in marketing, supply of seed, fertiliser and other farm inputs, technology development, loans, etc. Such experiences need monitoring, with useful results disseminated.

There are many additional challenges. They include: ensuring that farming is sustainable within its natural environment; tackling the problems of the less-favoured areas; creating jobs for the chronically poor who have too little land to farm; countering the marked gender inequity found in access to land, credit, and public services where men get first shout and women come a distant second; and facing up to HIV/AIDS and the equally daunting malaria and tuberculosis.

Clearly these are important. But if agricultural growth can be restored, it will be easier to deal with these problems.

A final challenge is the political economy of many states, where leadership and ideals have given way to looting of the public treasury. At the same time, ministries of agriculture are required to adapt to new and unfamiliar mechanisms for disbursing aid such as Poverty Reduction Strategies and Medium-Term Expenditure Frameworks. These are undoubtedly steps forward from the days of structural adjustment and outright conditionality, but tend to favour the simple and predictable. Thus, resources are more likely to be channelled to primary education and child immunisation than to the less certain agricultural agenda, whose needs are for greater flexibility.

www.odi.org.uk/rpgg/