African Agriculture:
Light at the End of

the Tunnel

By G. Pascal Zachary

The images of starving Africans are back on television. And right on schedule: a drought in East Africa is creating pockets of famine in Kenya and Ethiopia. But this time, happily, the news is somewhat misleading.

To be sure, Africa has failed miserably in feeding its people. Sub-Saharan Africa is the only part of the world in which food production per capita has fallen – an awesome 15 percent since 1969, according to the United Nations' Food and Agriculture Organization. And this failure has all too predictably triggered the need for emergency relief. Steve Wiggins, a research fellow at London's Overseas Development Institute, doesn't mince words: "The overall picture has been one of failure."

Yet there is a new optimism about the prospects for food production in Africa – and that optimism is sufficiently grounded in specific examples around the region that it is fair to conclude agriculture is poised for a significant revival. Persistent reports from humanitarian-aid groups and the media describing African dependence, vulnerability and even decline are contradicted by the relatively rosy picture in rural Africa, where large plantations are unusual and farming is dominated by small holders organized around extended families and villages. Oddly, after years of bemoaning the inefficiency of tiny holdings in African agriculture, policymakers and agribusiness executives are seeing the virtues of small-scale farming.

Consider some specific (and widely overlooked) achievements. Corn production more than tripled in West Africa from 1980 to 2000. Exports of fruit and vegetables from Kenya to Europe more than doubled from 1994 to 2004. In the same period, cotton production doubled in Mali. And across the continent, output of cassava, a staple akin to the potato that feeds an estimated 200 million Africans, has skyrocketed in the last decade.

These successes do not come out of nowhere, but have a solid foundation in Africa's past. Indeed, the best way to think about the African agricultural renaissance is in back-to-the-future terms. While the voices of Bono and Bob Geldof argue that Africans must essentially build food-production systems from scratch (and with large amounts of foreign assistance), the historical record reveals that Africans once had a much healthier farm sector – and that having one again largely depends on a return to what worked. As Wiggins reminded, "Over two extended periods in the 20th century – one from the start of the century until 1929, the other from the late 1940s until the early 1970s – African agriculture grew well ahead of population increases."

Indeed, efficient food production was one positive legacy of 20th-century European colonialism, and a casualty of African political independence. "The British and French especially left Africans with productive agriculture systems," observed Uma Lele, a former World Bank official, who is one of the foremost agricultural analysts of the developing world. "Instead of Africans taking over those systems and building on them, those systems were destroyed. African elites never appreciated the importance of agriculture."

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From the 1960s into the 1980s, African governments creamed all the surplus from agriculture by forcing farmers to sell their commodities to state marketing boards at prices that were usually well below the world market price. Cronies staffed these boards, skimming part of the profits for themselves and using the rest to grease urban patronage machines or to keep inefficient state-owned industries from bankruptcy. Not surprisingly, this transfer of income from rural peasants to urban salaried workers reduced output by undermining farmer incentives. To the extent governments supported farmers at all, they did so with direct subsidies for fertilizer and other inputs rather than by allowing producers to reap the rewards of a free market.

That is changing. More African leaders, from Olesegun Obasanjo of Nigeria to Yoweri Museveni of Uganda to Thabo Mbeki of South Africa, speak of agriculture as the engine of prosperity and small farmers as the enablers. Though there remains a gap between what they say and what they do, government policies are changing for the better.

Uganda is an excellent example. The Museveni government has promoted a variety of public and private activities aimed at raising farm output and narrowing the rural-urban divide. Production of a cash crop, cotton, has risen sharply in response to the privatization of the country's old national "lint" board. Investors from India, South Africa, Europe and the United States now operate cotton gins, buying and processing the raw crop and paying farmers world-market prices. A government agency provides incentives to private agribusinesses to assist ordinary cotton farmers.

Uganda's production of cotton remains well below its levels when the country was a

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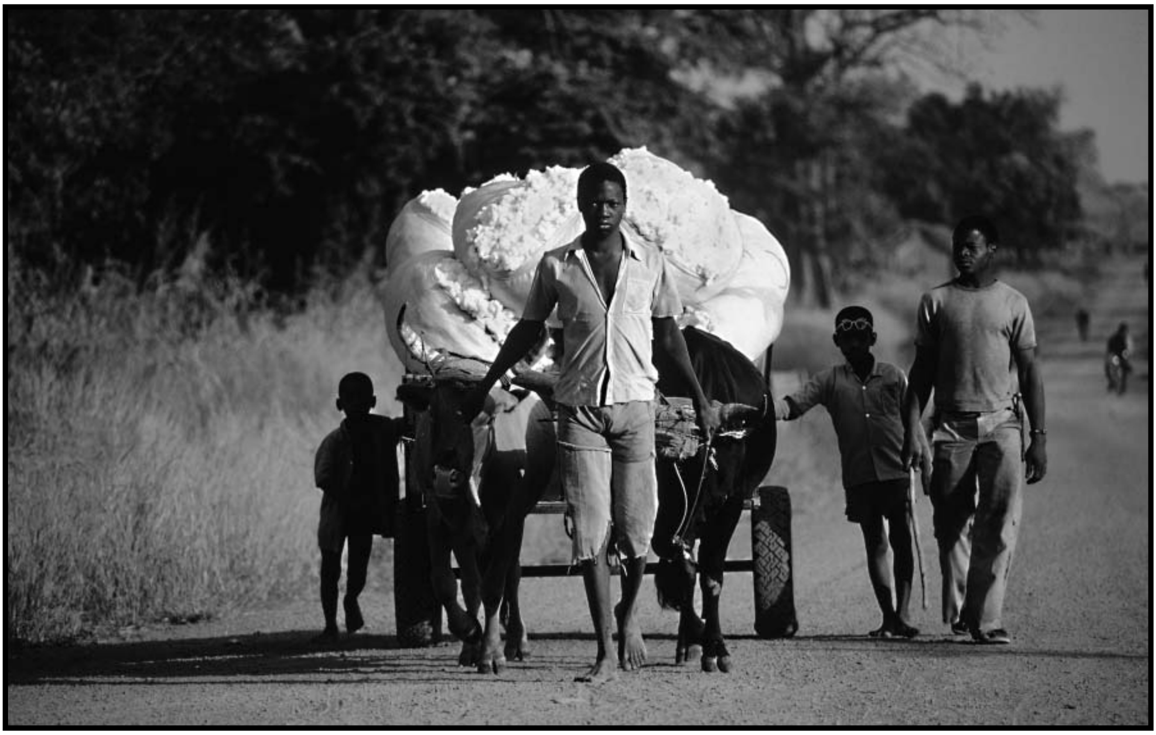

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A similar story is unfolding in rice, a staple not traditional to Uganda, but one gaining traction among city dwellers. A new variety of higher-yielding Africanized rice is doing very well, and an Indian investor has formed the first large irrigated rice plantation in the country. Domestic rice output is rising so rapidly that last year the government raised duties on imported rice in order to give its own producers a greater incentive to plant. Imported rice, chiefly from Vietnam, Thailand and the United States, remains plentiful in Uganda's urban markets, but local growers are rapidly gaining market share as their costs become competitive with Asia's most efficient growers.

Don't expect a "green revolution" in Africa – a radical leap in farm output along the lines of the stunning transformations that occurred in Mexico, India, China and Indonesia from the 1960s to the 1980s. Africa is too diverse ecologically, geographically and socially for a silver bullet to cure all that ails farming. And the inputs required for a great leap forward in production – especially fertilizer and irrigation infrastructure – are too expensive to justify in many places. Moreover, African governments, dependent on European foreign assistance and swayed by Europe's less-than-rational aversion to "frankenfood," have almost uniformly rejected genetically modified crops that produce higher yields and more profits.

Rather than a big bang, advances are occurring on the margins. One story from Uganda underscores the upside for farmers who make even modest changes in their methods. Receiving training for the first time from foreign buyers, cotton growers were persuaded to stop tossing seeds in the field and cultivating cotton as if it were a weed. Instead they planted cotton (by hand) in straight rows and found that weeding and picking (also by hand) proved much easier. Less labor meant less time in the field, which meant that farmers could plant more acreage in cotton the next year even though they lacked access to labor from outside the family.

Stepping back, the key breakthrough in African agriculture is not a new seed or a vast increase in the use of fertilizers or new machines. Indeed, fertilizer use remains shockingly low in Africa, and in many countries, tractors are as rare as rhinos. What has generated fresh optimism is the aforementioned elimination of state marketing monopolies and a new emphasis on efficiently linking farmers to markets.

The importance of connecting farmers and markets seems obvious. But that insight long escaped African governments and farm experts, who focused on increasing production, not on what happens after the crop is harvested. Of course, nearly everyone in Africa knows of the problem of rotting food. In Ghana, for example, roughly one quarter of all bananas and pineapples deteriorate to inedibility before they reach market.

One major difficulty is transportation: poor roads, slow trains, few reliable air links. What's more, transport costs within Africa can be distressingly high. To move one ton of fertilizer about 500 miles costs $15 in the United States, $30 in India and about $100 in Africa. To move a ton of corn from Iowa to the Kenyan port of Mombasa, a distance of some 6,000 miles, costs $50. To move the corn from Mombasa to Kampala – 425 miles over a poor road and across a national border – costs twice as much.

A debacle in Ethiopia a few years ago underscored the flaw in giving short shrift to the role of market infrastructure. With the aid of Norman Borlaug, the Nobel Prize-winning plant geneticist who led the green revolution, farmers in one part of Ethiopia took out loans to pay for fertilizer and produced record corn crops in 2001 and 2002. Indeed, so much corn was produced that prices collapsed in the local markets – falling by as much as 80 percent in some places, to levels below even the cost of the fertilizer.

Farmers went bankrupt. Yet a mere 95 miles away, as Borlaug himself has recalled with shame, "people were starving and unable to move the crop from one place to the other." All told, the government of Ethiopia reported, 14 million faced starvation.

Eleni Gabre-Madhin, of the Washington-based International Food Policy Research Institute, explained that in Ethiopia "most grain traders operate small-scale businesses with very few assets, and trade only with people they know, over very short distances." The problem is much more than logistics. Traders, Gabre-Madhin noted, also require "information, contract enforcement, ways to enable buyers and sellers to find each other and trade financing." Such market infrastructure, which is taken for granted in developed countries, remains in very short supply in Ethiopia.

Increasingly, the customers for African commodities are not fellow Africans but foreigners. International buyers are transforming African agriculture, bringing more and

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more farmers into a global production web even before they become part of a domestic network. Because of their physical proximity to Africa, Europeans were the first to look to African output to meet their demand for perishable food. On any given day, most Tesco supermarkets in Britain carry fresh fruits and vegetables from Kenya, Zambia, Uganda, Zimbabwe and even impoverished Malawi.

The traffic in African edibles is driven by the eater. European marketing specialists tell African producers which vegetables and fruits to grow, how to package them and in what combinations. Thousands of food handlers work out of the Nairobi airport, preparing shipments that make it to European store shelves the very next day. The cost advantage of growing labor-intensive crops in places where labor costs are very low is significant, but market intelligence is what has proved decisive. A handful of export companies manage the trade between Kenya and Europe, with each exporter contracting with tens of thousands of small individual farmers within a few hours drive of the airport.

By contrast, the domestic market in Kenya seems out of another century – and not the last one, either. Tens of thousands of producers sell their produce to tens of thousands of individual peddlers. In the export market, the farmer must do only one thing well – grow food. In the home market, the farmer must master all parts of the business.

Europe's appetite for African perishables is sure to expand, though most likely gradually because as safety rules are tightened for food imported into Europe, African exporters will require time to learn and make investments.

African agriculture's biggest potential market, however, is Asia. While China's pursuit of African oil, timber and minerals grabs the headlines, the Chinese are examining Africa as a potential breadbasket. African producers today lack the scale to seriously dent the Chinese market. But as Chinese technocrats and managers take up residence in the region (if only to look after China's growing assets), Africans may emerge as strategic food suppliers to the world's fastest growing economy.

To be sure, selling food to faraway places carries risks. Exports will bring income to Africans, but perhaps raise inequality between landless workers and those who till their own soil. Exports could even contribute to food shortages at home, should farmers choose to invest in export crops at the expense of foods basic to the African table.

But it is about time that Africans grapple with the complexities of operating in global markets, where inequalities are vast and the tension between the international and domestic economic sectors are a staple of daily life. That way lies the prosperity that hard-working Africans have so long been denied. M