I am greatly honored to be here today in Maputo, and would like to thank the Permanent Secretary of the Ministry of Agriculture, Daniel Clemente as well as the Directorate of Economics of the Ministry of Agriculture and the Mozambique SAKSS team for organizing this timely dialogue on how to boost agricultural growth in Mozambique. As Mozambique prepares its CAADP compact, it is essential that we look at the policy and investment options at hand in order to achieve the objectives set by African leaders back in 2003.

Global food security is under stress due to a complex web of factors – ranging from expanding biofuel production, to rising oil prices, US dollar depreciation, export restrictions, and panic purchases. Emerging phenomena such as climate change, extreme weather events, financial speculation and price volatility are adding pressure to food security throughout the world, and especially across Africa.

Agriculture is a key sector of the Mozambican economy, as it represents 31 percent of the country’s GDP, and engages almost 80 percent of the working population. It is dominated by 3.2 million smallholder families, headed by a large number of women farmers. More than half of the population lives in rural areas (62 percent) and depends on the rural economy for livelihoods, incomes and social protection.

Despite notable progress in reducing hunger since the 1990s and the achieving the highest growth rate among African oil-importers, Mozambique is still vulnerable to food insecurity, undernourishment and poverty. Indeed, about 60 percent of the population is poor and lives with $1.25 a day. Furthermore, undernourishment affects almost 40 percent of Mozambicans. The droughts and floods that have repeatedly hit the country since 2000 indicate it is also exposed to extreme weather events. An IFPRI report estimated that US$ 7 billion will be needed per year at the global level to compensate for productivity losses associated with climate change – especially in the areas of biological research, rural infrastructure and irrigation
expansion/efficiency improvements. The country will need to address these challenges in order to fully harness its potential.

Indeed, with its rich natural resources base and steady economic growth, Mozambique has the potential to use the food it produces to feed its own population, and even other countries in Africa. It will need to gear investments and policies towards creating a productive, resilient and connected agricultural sector.

In order to transform its agriculture sector, Mozambique will need to invest in:

1. **Research and technology** to develop crops that are resistant to extreme conditions, and that are also more nutritious:
   - Farmers will need a genetically diverse portfolio of improved crop varieties that are suited to a range of agro-ecosystems and farming practices, and resilient to climate change
   - Policy-makers should encourage conservation agriculture and mixed crop-livestock and agroforestry systems that enhance soil fertility in order to increase productivity in a sustainable manner
   - All actors must pace more focus on increasing the availability of biofortified crops, creating nutrition-sensitive value chains and fostering integrated agriculture, health, and nutrition programs in order to exploit the synergies between the three

2. **Market integration** through rural infrastructure and improved supply-chain management
   - Farmers need to be able to participate profitably in markets, at the local, national, regional and international levels. Linking smallholders to supply chains and markets requires both innovative institutional arrangements and investments in rural transportation and communication
• Investments in rural roads, storage infrastructure, transportation and logistics are key in order to link farmers to markets, reduce post-harvest waste, and increase supply chain efficiency and profitability

• Smallholders’ comparative advantage lies in their ability to supply low-cost labor for labor-intensive crops. To forge links to high-value markets, small farmers need to be organized in ways that reduce transaction costs, and can access information on market requirements in a timely manner

• Arrangements such as group lending, producers’ associations, and contract farming have been shown to facilitate smallholders’ access to food supply chains and markets in Asia and Latin America

3. **Capacity-building** through education, knowledge-generation and -sharing so that the labor force is well trained and is able to access this knowledge

• Creating local and national capacity for knowledge generation and sharing is a key for Mozambique to succeed in achieving food security and broader development goals

• Research needs to be strongly linked to extension, so that new technologies and practices that are developed are useful to farmers and can be adopted by them

• Research and innovation actors at the local, national and international levels must be linked through crop-specific, agro-ecosystem-specific or issue-specific networks

• Policy-makers and extension service providers must ensure that farmers’ traditional knowledge is preserved and respected, but also that farmers have easy access to relevant and timely information to make good choices

• Information and communications technologies have a big role to play in allowing farmers to access new knowledge and weather and market information
I am very much looking forward to the presentations, discussions and conclusions we draw from this dialogue.