



For more information, or to request an interview, please contact:  
Saburi Chirimi at [schirimi@burness.com](mailto:schirimi@burness.com) or +254 721 569 369  
Waiganjo Njoroge at [wNjoroge@agra.org](mailto:wNjoroge@agra.org) or +254 723 857

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## **New Report Finds Ten Years On, African Countries that Embraced Agriculture Saw Food Production, GDP and Nutrition All Improve**

***On cusp of historic agriculture summit, analysis builds a case for betting big on African farmers while bluntly warning of many challenges that lie ahead***

**NAIROBI, KENYA (6 September 2016)**—A decade of intense domestic attention to farmers and food production has generated “the most successful development effort” in African history, with countries that made the biggest investments rewarded with sizeable jumps in both farm productivity and overall economic performance, according to a new report released today by the Alliance for a Green Revolution in Africa (AGRA).

These are among the key findings noted in AGRA’s 2016 African Agriculture Status Report (AASR), “Progress towards an Agriculture Transformation of Sub-Saharan Africa.” The document provides an in-depth and unsparing review of an incredibly active ten-year period for African agriculture—one AGRA frames as a prelude for potentially big things to come. The analysis serves as a curtain raiser for this week’s high-powered African Green Revolution Forum (AGRF) in Nairobi, which is attracting heads of state and high-level officials from around the world. And it could lock-in hundreds of millions of dollars in new investments for Africa’s often struggling farmers.

“The last ten years have made a strong case for agriculture as the surest path to producing sustainable economic growth that is felt in all sectors of society—and particularly among poor Africans,” said AGRA President Agnes Kalibata. “The track record is far from perfect,” she added. “Many governments face significant budget constraints and far too many farming families continue to lack basic inputs, like improved seeds or fertilizers. But the evidence is clear. When we invest in our farmers and in the all the things they need to succeed, good things happen across the economy.”

### **At Last, Agriculture Advances in Africa**

The report finds that “after decades of stagnation, much of Africa has enjoyed sustained agriculture productivity growth since 2005, and as a result, poverty rates have declined in places like Ghana, Rwanda, Ethiopia and Burkina Faso. The report notes that agriculture has had its biggest impact in countries that moved quickly to embrace the African Union’s Comprehensive African Agriculture Development Programme or CAADP, which was created in 2003. A key component of CAADP was its call for African governments to allocate 10 percent of national budgets to agriculture and to aim for six percent annual growth in the sector.

The AGRA report notes that even if they didn’t hit the 10 percent targets, early adopters of the CAADP goals have seen productivity on existing farmlands rise by 5.9 to 6.7 percent per year. This boost in turn helped spur a 4.3 percent average annual increase in overall GDP. Those later to the game achieved anywhere from a 3 to 5.7 percent growth in farm productivity and a 2.4 to 3.5 percent increase in GDP.

Meanwhile, countries that sat on the sidelines saw farm productivity rise by less than 3 percent and GDP rise by only 2.2 percent.

The trend is similar for declines in malnutrition, with countries that have embraced the CAADP process experiencing annual declines ranging from 2.4 to 5.7 percent, while those who have not averages only a 1.2 percent decline.

<b>The Big Payoff from an Early Embrace of Agriculture in Africa</b>		
<p>Countries that have implemented the Comprehensive African Agriculture Development Programme (CAADP) have posted higher agriculture productivity and stronger GDP growth as well as sharper declines in malnutrition compared to countries that have not adopted the program by signing CAADP compacts. The differences are especially stark when comparing countries that signed up early, between 2007 and 2009, to those that have not yet signed. The early adopters are: Benin, Burundi, Cape Verde, Ethiopia, Gambia, Ghana, Liberia, Mali, Niger, Nigeria, Rwanda, Sierra Leone, and Togo.</p>		
<p><b>Annual Increase in Agriculture Production &amp; Land Productivity</b></p> <p><b>Early Adopters: 5.9% - 6.6%</b> <b>Non-Adopters: 2.1% - 2.9%</b></p>	<p><b>Annual Increase in GDP Per Capita</b></p> <p><b>Early Adopters: 4.3%</b> <b>Non Adopters: 2.2%</b></p>	<p><b>Annual Decline in Malnutrition Prevalence</b></p> <p><b>Early Adopters: 3.1%.</b> <b>Non-Adopters: 1.2%</b></p>
<p><i>Source: 2016 African Agriculture Status Report, Chapter 2</i></p>		

“It’s clear that with agriculture now back at the top of Africa’s development agenda, the foundations have been laid for a renaissance in African agriculture that could quickly deliver benefits to the broader economy,” said David Ameyaw, one of the report’s lead authors who is head of Monitoring and Evaluation for AGRA.

He said the report found evidence that many farmers are “gaining more options in the seeds they plant, in the fertilizers they use, and in the markets available to purchase their produce.”

But African agriculture experts who contributed to the report make it clear that all is far from well. The report points out that Africa remains “the world’s most food insecure continent, with relatively low levels of agricultural productivity, low rural incomes, high rates of malnutrition and a worsening of food trade balance.”

### **Worrisome Trends, but Opportunities Abound**

“Agriculture development is very uneven across the continent,” said Thomas S. Jayne, a professor of agricultural, food, and resource economics at Michigan State University and a co-author of the report. “Where there is the right mix of interventions, we see it delivering considerable economic opportunities and addressing fundamental development milestones, like improving nutrition. But where it is neglected, agriculture continues to be a barrier to generating more sustainable and equitable economic growth in sub-Saharan Africa.”

Overall, the 2016 AASR digs deep into a wide array of trends affecting African agriculture, some worrisome and others indicative of opportunities transform a sector that has consistently been long on potential and short on achievement. Among the reports key findings:

- **While public investments in agriculture have grown, public funding should be four times what it is now.** Annual public investments in agriculture have risen appreciably across Africa, from an average per country of US \$186.4 million between 1995 to 2003 to US \$219.6 million between 2008 to 2014. Yet only 13 African countries have hit or surpassed their pledge to invest at least 10 percent of public funds in agriculture. If all that have pledged to could make good on their promise—and competing demands and budget constraints make that difficult—public funding for agriculture across Africa would rise from \$12 billion (the amount allocated in 2014) to \$40 billion.
- **Broad-based agricultural growth is going to generate long-term employment and wealth; the industry must grow beyond what happens in the fields.** Farming remains a key source of income for 60 to 65 percent of the labor force in sub-Saharan Africa and will continue to be a major source of employment for most countries for a decade or more, particularly for poor Africans. That's why growth in agriculture is so much more effective at reducing poverty than growth in other sectors. Yet the report notes that to provide a long-term economic lift, agriculture growth must spur a rise in manufacturing jobs—as it did in East Asia—and that's not yet happening in Africa. Manufacturing accounts for only about 10 percent the region's total employment, lower than anywhere else in the world save the Arab States.
- **Realizing the promise of African agriculture will not be cheap.** It could require US \$315 billion to US\$ 400 billion over the next ten years in public and private sector investments in all aspects of food production, processing, marketing and transport.
- **African farms must bridge the gap between the yields they now achieve and the amount their crops actually could deliver.** On some 65 percent of Africa's farmable lands, soils lack necessary nutrients, and many farmers lack the inputs and technical knowledge to revive them. That's costing African farmers at least US \$68 million in lost income opportunities. For example, African farmers cultivating new, improved varieties of maize and other crops see only a 28 percent bump in yields on average while farmers in Asia are harvesting an 88 percent increase.
- **Urban and rural Africa are increasingly connected by agriculture.** Urban consumers are driving a lucrative market for food products that could be worth US\$1 trillion by 2030, generating significant income and employment opportunities for African farmers and food companies—though that demand is now being met with a hefty serving of food imports. City dwellers also are increasingly pursuing farming as a business. Evidence from Ghana, Kenya, Malawi, Rwanda, Tanzania and Zambia finds urban households control 15 to 35 percent of Africa's farmlands. That's injecting more capital and technology into African agriculture, but it's also increasing competition for land.
- **Obtaining financing for production improvements remains a major challenge for rural Africans.** While the report notes promising development of products like crop insurance tied to weather indexes, farm loan programs that share the risk among many participants, and innovative uses of mobile banking services and microfinance, only about 6 percent of rural households in sub-Saharan Africa are borrowing from a formal financial institution.
- **Investments allocated to agricultural research and extension services have fallen precisely when they are needed most.** At a time when climate change is producing intense demand for crop varieties and other innovations that can help farmers adapt, investments are not keeping up. For example, expenditures in

Zambia, Malawi, and Tanzania in 2014 represented only 1.4 percent or less than overall budget allocations agriculture.

- **Africa has the world's largest population of people under 20 years old and they could provide the intellectual capital to power major growth in the agriculture sector.** Often discussed as more of a burden than a benefit, the right mix of policy and public investments can create a wide range of economic opportunities that could allow Africa to reap a demographic dividend from its incredibly youthful workforce. Conversely, if governments do not focus on policies that will get youth engaged in agriculture, authors warn we could see widespread youth unemployment and disillusionment.
- **Ultimately, Africa in 2016 is a continent making notable progress toward realizing its agriculture potential, but one that still has long way to way to go.** Africa's ambitious goals for eradicating hunger and dramatically reducing poverty by 2030 are attainable. But fulfilling them requires strong political leadership at home that is backed by solid commitments from donor countries and international institutions and robust investments from the private sector.

“Despite the unprecedented decade of impressive growth across the continent, much more remains to be done to sustain these gains and truly drive the agricultural transformation needed for Africa’s development and ensure a better life for all,” the authors note. “The good news is that a vibrant agricultural sector, while not the solution to all of our problems, will clearly promote food security and economic opportunities for all Africans. “

Former AGRA President Dr. Namanga Ngongi, who chairs the Board of Trustees for the African Fertilizer and Agribusiness Partnership, said the report should set the stage for a productive meeting when political leaders and agriculture experts converge on Nairobi later this week.

“My hope is that this incisive analysis of the current state of African agriculture will stimulate a more profound and impassioned debate about the kinds of investments and initiatives now required to make transformation of this sector a reality,” Dr. Ngongi said.

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