

SPEECH FOR AFRICA AGRICULTURE INVESTMENT & PRODUCT INNOVATION CONFERENCE

Ladies and Gentlemen,

I thank you for the opportunity to address this very valuable conference. My name is Charles Taffs and I am currently the President of the Commercial Farmers Union of Zimbabwe

When I was first asked to address this conference, I read with interest the pre amble notes on the conference and I could not help but think how as a continent we have preformed so badly in terms of agricultural production and development. It is shocking to note that the statistics of 75% of the worlds poor who live in rural areas are in developing countries and yet the Sub Saharan African public spending in agriculture is only 4% of total government spending, this is a very stark and sad reality.

Sub Saharan Africa needs to immediately take agricultural production seriously by placing agriculture at the centre of its development agenda.

Governments also need to expand their targets not only to achieve the millennium goals of 2015, which aims to halve extreme poverty by that date, but by also taking cognisance of the fact that world food demand against the massive increase in population and the resulting increase in consumption over the next 30 years is set to double. Where is this increase going to come from? Yes, some will come from new technologies , such as gmo advancement, but the bulk upward of 70% will have to come from new productive markets, sub Saharan Africa being the largest.

HOW DO WE ACHIEVE THIS

The answer to this question is two-fold. Firstly individual countries need to develop internal strategies and policies that promote agriculture, and the second is that countries in the region must adopt common strategies and policies that will allow for continental growth in a competitive global environment.

On a country level governments need urgently to adopt policies that are investor friendly and encourage growth. There has to be a total commitment to both human rights and property rights and on this there can be no negotiation if Africa is to succeed in its goals. International agreements and laws such as bilateral investment protection agreements must be adhered to and honored. Countries must promote and implement the rule of good law, create strong financial programs, strong agricultural technical support net works, research, education, infrastructure, strong and clear labour laws, and many more. But the most important of all on which all the previously mentioned can be achieved is the solid economic fundamental required to create a strong sound foundation for growth in agriculture and that is farmers at all levels must have strong bankable tradable tenure to the land on which they farm. The value of the land must be placed in the hands of the farmers. African agriculture must break the bonds of subsistence farming and move into a new area of competitive agriculture regardless of size breaking the association of African agriculture with that of poverty.

As countries we need to move away from state holdings where production incentives are limited, need for competitive excellence diminished, land utilization and protection generally unsustainable with the

resulting inability to raise funding further increasing the culture of dependence perpetuating the very poverty we are trying to eradicate.

To have a successful, viable, sustainable agricultural sector the farmers must be able to tap into the inherent value of the land. It is this inherent value that will drive an active land market which in turn will increase those very values which when mobilized can be placed directly into primary agricultural production, it is these values that will create confidence and security that will drive development, production as well as sustainability all needed for long term success.

Globally, countries that have adopted strong tenure policies placing the values in the hands of the producer are in the main food sufficient and those who have not are generally donor dependant and there are unfortunately many many examples of this in Africa today.

With strong tradable tenure farmers can plan they can borrow with confidence from their banking partners, who can then lend with confidence, thus enabling a dynamic financial sector to develop in parallel. For agriculture to develop to its full potential a vibrant well established financial sector, specifically designed for agriculture, is essential and this can only be achieved if adequate security of investment is assured once tradable bankable tenure is in place structured funding can then become a reality. Long term funding, up to 25 years, is needed for land purchase and infrastructural development, medium term funding 3 to 15 years is needed for irrigation, dam construction, plantation development, live stock establishment, equipment purchase and of course, short term annual funding is required for annual crop inputs based against annual crop returns.

I stress again this can only be done by mobilizing the inherent value of the land, no other mechanism, although many have been tried gives the same collateral confidence rightly required by the banking sector to ensure mutual growth and investor protection once the fundamental aspects of tradable tenure are cast in stone agriculture and those who are involved in it can raise themselves in total from subsistence farming to farming for profit placing the responsibility to perform in the hands for the producer thereby promoting excellence, increasing production, creating diversification aswell as giving a degree of independence to the producers themselves .

Once the value of the land is in the hands of the producer environmental issues so pertinent to Africa such as deforestation, erosion, over grazing and excessive burning can all be tackled as the owners are now directly responsible for the land usage and as such will face prosecution. In other words good sustainable land usage will naturally be promoted.

Furthermore symbiotic relationships between large scale and small scale commercial can develop whereby overhead costs can be carried by the larger producers through volumes of scale allowing the small scale producers to actively participate in crops value addition and marketing areas which they traditionally would have been excluded from. One of the tragedies of the Zimbabwean Agriculture Reform Programme is that the government never fully understood the strong relationships between large and small producers, when they destroyed the commercial farming sector the small scale sector suffered the collateral effects. Although they maintained their land holdings their production levels rapidly decreased as their whole support network traditionally carried by the commercial sector such as input supply chains, marketing, transport, seedling supply, road maintenance, schools, clinics all but disappeared.

On the back of this employment levels will increase, tax levels will rise, communities will be established with the resulting establishment of social support net works such as schools and clinics. With a vibrant agricultural sector developing investors will be happy to invest in private/public partnerships to develop infrastructure such as rail and road net works and electricity generation to name but a few. Supply industries will naturally have to develop to cater for the increasing agricultural input demand, manufacturers once confident that the real and regular supply of raw materials from the agricultural sector is a reality these industries will develop in tandem with the rise of agriculture further driving these Countries economies

REGIONAL AND CONTINENTAL

African countries must now grasp the opportunities that are being presented, as mentioned before in terms of world food demand, if we do not they will be taken from us as the world will not be in a position to wait and as a result we can no longer sit back and be exploited on the back of donor promise, we must produce and perform in a competitive world, African governments must now actively work together to promote Africa by their actions and break the 50 year cycle of negative perception creating a new continental platform for investment with agriculture at its core. We must create policy whereby agricultural investment is a priority with common trade policies, integrated rail and road net works, integrated power generation and distribution policies, equal coast access to all through free trade corridors along which value adding industries can be established maximizing returns to those countries of origin.

With global financial markets currently in distress investors are looking for new frontiers and Africa is well placed to take advantage but with this comes responsibility, good governance eradication of rampant corruption, as well as a full understanding that we are all part of a rapidly shrinking global environment and as a result can no longer act independently of each other to do so will guarantee our demise the opportunities are there it is up to us to take full advantage of them.

In conclusion the continent of Africa is blessed with abundant land, water and natural resources surely it is now time to take control and maximize these god given values for the benefit of all Africans and I firmly believe that by driving agriculture the development of Africa will be a certainty as there is one fact that no one can ignore and that is the world has to eat and we could be well placed to provide for that fact. As was quoted at a recent Zambian Agricultural conference held last month which I had the privilege of attending "no farmer, no food, no food, no future" these words are indeed a reality. On ending ladies and gentlemen Zimbabwe agriculture has been through a very rough period in its recent history, and as such Zimbabwe is a very good example of what happens to an economy when the fundamentals of bankable tradable tenure are tampered with. I have with me a DVD on what we feel could be a solution to our land question and I am happy to give this out to any one who is interested as some of the ideas could be applied through out the continent. I thank you.

CHARLES TAFFS
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