



CARD General Meeting Seminar – Session 1: Mechanization

Actions taken by CARD Steering Committee members

07 November 2011, Kampala, UGANDA

Kaz Fujiwara, Technical Coordinator, CARD Secretariat



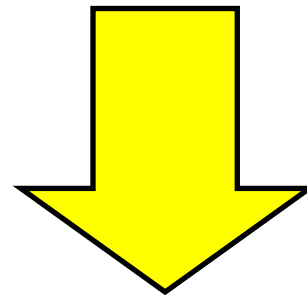
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Actions taken by CARD SC members

CARD SC 5
(Freetown, Feb)

Connection with the private sector



Key issues on
enabling
environment

Workshop
(Senegal, Jun)

Questionnaire
(Aug)

Agribusiness Forum
(S Africa, Oct)

Workshop
(Japan, Sep)



The workshop on 'Boosting agricultural mechanization in rice-based systems in SSA' (Senegal, June)



AfricaRice

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INTERNATIONAL RICE RESEARCH INSTITUTE

- Organised on 6-8 June 2011 in Saint Louis, Senegal by AfricaRice and IRRI through GRiSP, with about 30 participants:
- Country representatives such as MoA and NARES from 7 SSA (GHA, MAL, SEN, SRL, TAN, NIG, UGA)
- agricultural machinery manufacturers, Local dealerships, Credit suppliers (micro-credit)
- International agricultural machinery manufacturer (Briggs-Stratton)
- Research Institutes and Development Agencies (IRRI, AfricaRice, CIRAD and JICA, CARD Secretariat)



The workshop on 'Boosting agricultural mechanization in rice-based systems in SSA' (Senegal, June)



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■ Presentations on Ag Mechanisation

- Country presentations (by 7 SSA)
- State-of-the-art (by IRRI)
- Public-Private Models (by JICA)
- Status in West Africa (by CIRAD)
- Recent developments in South Asia (by IRRI)
- Post-harvest, learning alliances, business models (by IRRI)
- Impact assessment of the ASI thresher-cleaner (by AfricaRice)

■ Breakout group discussions

- The roles and responsibilities of each actor
- Equipment to be manufactured locally and to be imported
- Existing training institutes
- Training needs (technical development)
- Training needs (Value Chain Development, Business Models)
- General Approach, the role of research

The workshop on 'Boosting agricultural mechanization in rice-based systems in SSA' (Senegal, June)



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- **The road map – Recommendations** including:
 - Facilitate enhanced PPP in the development (SSA Gov'ts);
 - Reduce taxes and duties on imported machinery, machinery components and construction materials (SSA Gov'ts);
 - Establish direct dealerships in Africa (Int'n'l manufacturers);
 - Provide after-sales services for products, Provide stewardship and quality assurance (Local manufacturers);
 - Contribute to the elaboration of policies to strengthen agricultural mechanization of the rice sector (NARES);
 - Contribute to the elaboration of policies to strengthen ag. mechanization of the rice sector (AfricaRice, IRRI, Cirad);

The workshop on 'Boosting agricultural mechanization in rice-based systems in SSA' (Senegal, June)



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- **The road map – Recommendations** including (continued):
- Identify local institutions that can serve as training centres in agricultural mechanization (CARD);
- **Study government policies related to agricultural mechanization and in particular with respect to the importation of agricultural machinery and spare parts across Africa (CARD);**
- Advocate support for mechanization as part of NRDS (CARD)



Questionnaire (Aug)



- Questionnaire (A) for SSA Governments on Gov't policies on agricultural mechanization
- [prepared by AfricaRice, IRRI and JICA, filled by SSA countries and collected through JICA Country Offices]
- 13: CAM, GHA, KEN, MAD, MAL, MOZ, NIG, TAN, SRL, UGA, BEN, LIB, ZAM

- Questionnaire (B) for Private Sector (local manufacturers and dealers) on business environment, Gov't policies
- [prepared by JICA and filled by JICA Country Offices and]
- 5: BEN, MAD, LIB, TAN, UGA
- List of more than 81 Private companies (dealers of imported machineries) in 5 countries

Questionnaire (A) for SSA Government:

Q. Import Tax on Machineries and Spare Parts?

Q2 – (1) Overall import tax rate on ag. machineries

0%	BEN, GHA, KEN, LIB, NIG, TAN, UGA
10%	CAM
18%	MAL, TOG
20%	MAD
22-23%	MOZ
Less than 50%	SRL
N/A	LIB

Q2 – (2) Overall import tax rate on ag. machinery spare parts

0%	BEN, GHA, KEN, LIB
5%	NIG
10%	CAM
15%	UGA
18%	TOG
20%	MDA, TAN
22-23%	MOZ
40%	SRL
TTC	MAL
N/A	LIB



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Q. Government subsidize for access to agricultural tractors?

	Subsidiary rate on procurement price	Extension of repayment period	Concessional interest rate
UGA			Lower rate than the market rate of 25%
GHA	33.3% of FOB	Extension by 3 years	No interest on loan
SRL		10 years instead of 5 years	20% compared with market rate of 35%
BEN	100% custom tax exemption	Extension by 4 years	No interest on loan
MOZ	50%		

Other types of subsidies

UGA	Guarantees on case by case as appropriate
CAM	Government negotiates loan from Exim Bank India which consists of the introduction of 1,000 tractors and assorted tools for the production of maize and rice
BEN	Subsidy rate on procurement price by the farmers (50%)
MAD	Subsidy, credit payment
MAL	Agricultural input
MOZ	Small irrigation material subsidies: 65%, Animal machineries subsidies: 80%

Q. Availability of agricultural mechanisation statistics?

	Tractor sold 2010	Tractor imported 2010
UGA	Approx 75	Approx 75
GHA	82 of 125 (sold by Gov't only)	125 (by Gov't only)
TAN	900	2,500 tractors 1,800 by SUMA JKT; Others 700 by AGITF, TIB etc
BEN	104 tractors (100 given to women associations by Gov't)	200
KEN		660
MAD	Not available	421
MAL	253	10
MOZ		700 tractors and 1200 water motor pumps: Subsidies 50%, 688 water motor pumps, 42,200 pipes, smalls materials Subsidies: 65%, 100,000 ploughs Subsidies: 80%



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Q. Agricultural credit?

TAN	Agricultural Input Trust Fund (AGITF), Tanzania Investment Bank - TIB; Agricultural Inputs & Machinery Window
SRL	Community Banks or Rural Financial Institute, commercial, bank
CAM	World Bank Project PACA, IFAD Project PADMIR, AFD project ACEFA
MAD	Microfinance : CECAM, OTIV, BNI
MAL	BNDA: National Agriculture Development Bank
MOZ	BRS: Regional Bank of Solidarity, Micro Finance Institute, Popular Bank

	Subsidiary rate on procurement price	Extension of repayment period	Concessional interest rate
TAN			50% compared to market rate of 100%.
SRL	Varies 5-25%	10 years instead of 5 years	25% compared with 35% market rate
MAD	Depending on the case after studying files		
MAL			Concessional interest rate on loan 12%
GHA, LIB, BEN, KEN	None	None	None

Questionnaire (B) for Private Sector

- **Business Environment:** Good or Bad?
- **Agricultural Mechanisation Policy:** Demanded
- **Taxation & Import tariff rates:** Gov't 0% while Private Sector 25%?
- **Financing/ Credit:** demands from private sector for the Gov't
- **Government subsidy programmes:** Private Sector NO (& request) while Gov't YES?
- **Government legislation, inspection, testing, etc:** One trading company we need while another company so easy to work if no legislation



Training and Dialogue Programme on NRDS planning, implementation, M&E



- 16 FPs (alternates), NRDS TF – BEN, BUR, CAM, GAM, GAN, KEN, LIB, MALI, MAD, MOZ, NIG, RWA, SRL, TAN, UGA, ZAM
 - One week for Agricultural Mechanisation – exchange views with private sector (manufacturers & dealers) on constraints & opportunities
 - Actions Plans by NRDS Taskforce
- Recommendations:
 - Inclusion of staff (officer/ expert) in the NRDS Taskforce (core team)
 - Cost & Benefit Analysis: Wins for ALL (farmers, makers, dealers, operators, artisan/ workshops in chain)
 - Mechanisation as a ‘SYSTEM’

Agribusiness Forum (S Africa, Oct)



- Engaging the Private Sector for Africa's Agri-Food Growth –



- Attracting public and private sector investment
- Including the small farmers in large sector value chains
- Leveraging the impact of CAADP investment plans for agribusiness development

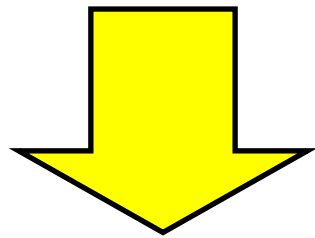
- A side event organised by AGRA, FARA and CARD Secretariat
- NRDS TF: MAD, NIG, TAN
- Voices from Private Sector:
 - Guarantee Fund for earlier stage
 - Enabling Environment

Next Steps

Key issues on
enabling
environment

Seminar

GM4



NRDS Action
2012

Policy /
institution

Human
capacity



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Thank you

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