Creating Profitable Agricultural Value Chains & Protecting Natural Resources in Africa:

*Three Lessons Learned*

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**Lesson 1:** *Intensify* Agricultural Production and Stop Expanding Agricultural Land
SSA has chiefly relied on area expansion to achieve gains in production (1961-2001)

Nutrient Mining in Agricultural Lands of Africa


kg/ha

No Data
<30
30 - 60
>60
Water Bodies

www.ifdc.org
Intensification is good for the farmer, and the environment

- Better food security
- Greater revenues
- Natural areas are saved from encroaching farmlands
- Soil fertility is maintained

Lesson 2: Pay As Much Attention to Increasing the Efficiency of Nutrient Use as to Increasing the Amount of Nutrients Used
Nitrogen Fertilizer: a Case in Point

- 70% of N used in developing countries
- 4 barrels of oil for 1 MT urea
- Low efficiency: 30%-40%

Efficient technologies need to be diffused, new ones developed

- Currently available technologies
  - Slow-release fertilizers
  - Urea deep placement
- Efficient = profitable = environmentally friendly
Increasing N efficiency from 40% to 60% in developing countries results in vast total savings.

Impact on the environment if N use efficiency is increased from 40 to 60%.
Lesson 3:
Focus as Much on National and Regional Markets as International Ones

Population growth, urbanization, markets = Good base for market development
Spurring Market Development in Africa

- **Value chain actors:**
  - Fostering collaboration at grass roots among farmers, processors, output/input traders

- **Linking to market information:**
  - Both farmers and traders