



Donors launch new fund for Africa's small farmers

ACCRA (AFP) — Standard Bank of South Africa and the Alliance for a Green Revolution in Africa (AGRA), chaired by former UN head Kofi Annan, Wednesday joined forces to set up a fund to support small farmers and agricultural businesses in four countries.

At a press conference in the Ghanaian capital, the bank said it will put 100 million dollars (78 million euros) into the fund over three years and AGRA will provide a 10-million-dollar loan guarantee fund.

The fund will operate in Ghana, Tanzania, Mozambique and Uganda. The interest rates to be paid by the beneficiary farmers will vary from one country to another, the bank and AGRA said.

"With this support from AGRA and Standard Bank smallholder families can breathe a sigh of relief as money will be available for them to buy inputs for their activities," Annan told the conference.

Standard Bank group chief executive Jacko Maree highlighted how difficult it is for subsistence farmers to get access to finance.

This absence of access to finance makes it difficult for them to invest in good seeds, fertilizer and small-scale irrigation needed to raise productivity and generate more profit, he said.

"We need to put behind us the global financial crisis and put in place measures that will make Africa benefit from the crisis. Government must put in place policies and programmes that will see huge investment in the agri sector," the CEO continued.

"Africa can and should become self-sufficient in food production if we have many of this (type of) funding," Annan said.

The African continent lags behind the rest of the world in agricultural yields.

Africa's per hectare farm yields are only about one-third of Asia's and one-tenth of those recorded in the US.

The problem is heightened by rapid population growth. In 2005, according to various international agencies, Africa's agriculture produced 3.0 percent less per capita than in 2000 and 12 percent less than in 1975.