

## Media Coverage on the W.I.N. Conference, 3/10/07



### **INTERVIEW-Africa farmers need credit, fertiliser, roads**

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OSLO, Oct 1 (Reuters) - Africa's farmers must have reliable access to credit, subsidised fertilisers and roads if the continent's agricultural decline is to be reversed, one of its most successful female agribusiness figures says.

Josephine Okot, who built her seed firm from nothing in 2004 into one of Uganda's largest private seed companies, said Africa produced around 2 tonnes of maize per hectare compared to 10 tonnes elsewhere in the world.

Small farmers were simply unable to get loans to pay for better seed and fertiliser, key to improving yields, she said.

Okot said micro-credit schemes, which lend very small sums at high rates of interest to the poorest of the poor and popular among aid workers, simply do not work for farmers as they required weekly or monthly repayments.

What farmers need is a system that would allow them to put off repayment until after harvest, she said.

"Micro-credit is designed for traders but does not work for agriculture," she told Reuters at the weekend on the sidelines of the **Women's International Networking** conference in the Norwegian capital Oslo.

"If we are ever to reverse the decline in African agriculture, that has to be addressed. My farmers have nowhere to go. Some of them have to sell their animals to make repayments."

Okot founded her company in 2004 when Uganda privatised its state seed distribution system and the company now reaches around a third of Uganda's 3 million farmers -- a feat that won her an award for contribution to African agriculture from Norwegian fertiliser firm Yara International .

The business had a tough start, Okot said.

She said she struggled to get funding from banks and was only able to make necessary investments after the U.S. government's development agency USAID agreed to act as guarantor on debts she was able to repay herself.

## AGRICULTURE HIGH RISK

"The banks really see agricultural investment as high risk," Okot said. "And if you walk into a bank as a woman then they will automatically see you as second-class. They ask if your husband is aware of what you are doing."

Convinced she needed credentials to convince others she knew what she was doing, Okot went to the United States and took a 10-day course at Harvard Business School.

She said even with the advent of companies like her Victoria Seeds, many farmers still cannot afford privately bought seeds, slashing their productivity.

Many are restricted to using seeds saved from their own crops -- "home save seeds" -- which produce much lower yields.

Such seeds yield about 700 kg of maize per ha, a fraction of the 7 tonnes possible with proper seeds and fertiliser. Without fertiliser but with seeds optimised for low nitrogen soil, they could get 2 tonnes per ha.

Across Africa, farmers are using just 8 kg of fertiliser a ha against 50 kg in the rest of the world, she said. Fertiliser is such a low-margin product and farmer buying power is so weak, many firms such as hers seldom bother to stock it.

"I would like to see some subsidy of fertiliser," she said. "The West subsidises its farmers and I cannot see why the same should not be done with Africa. It needs to come from the West and from the African governments themselves."

Just as important was to put development aid into improving the continent's shambolic transport infrastructure, she said, with bad roads simply making long-distance exports uneconomical.

"If you improve production but you still cannot reach the market, you are still exactly where you were," she said. "That is one of the main reasons Africa remains trapped in poverty."

## AFRICA-AGRICULTURE

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