

# New Models for Sustainable Agricultural Mechanization in Sub- Saharan Africa



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## Outline

Industry perspective on the market for agricultural machinery in SSA and challenges

Concluding remarks and takeaway messages

BBC News:  
November 25, 2016



In the not-too-distant future, our fields could be tilled, sown, tended and harvested entirely by fleets of co-operating autonomous machines by land and air.



And they'll be working both day and night.



# Current trends and evolution in SSA: Winds of change

Continuous GDP increase, average +5%

Renewed political commitment to agriculture: NEPAD/CAADP

A more dynamic private sector and growing investments in agriculture and food sectors

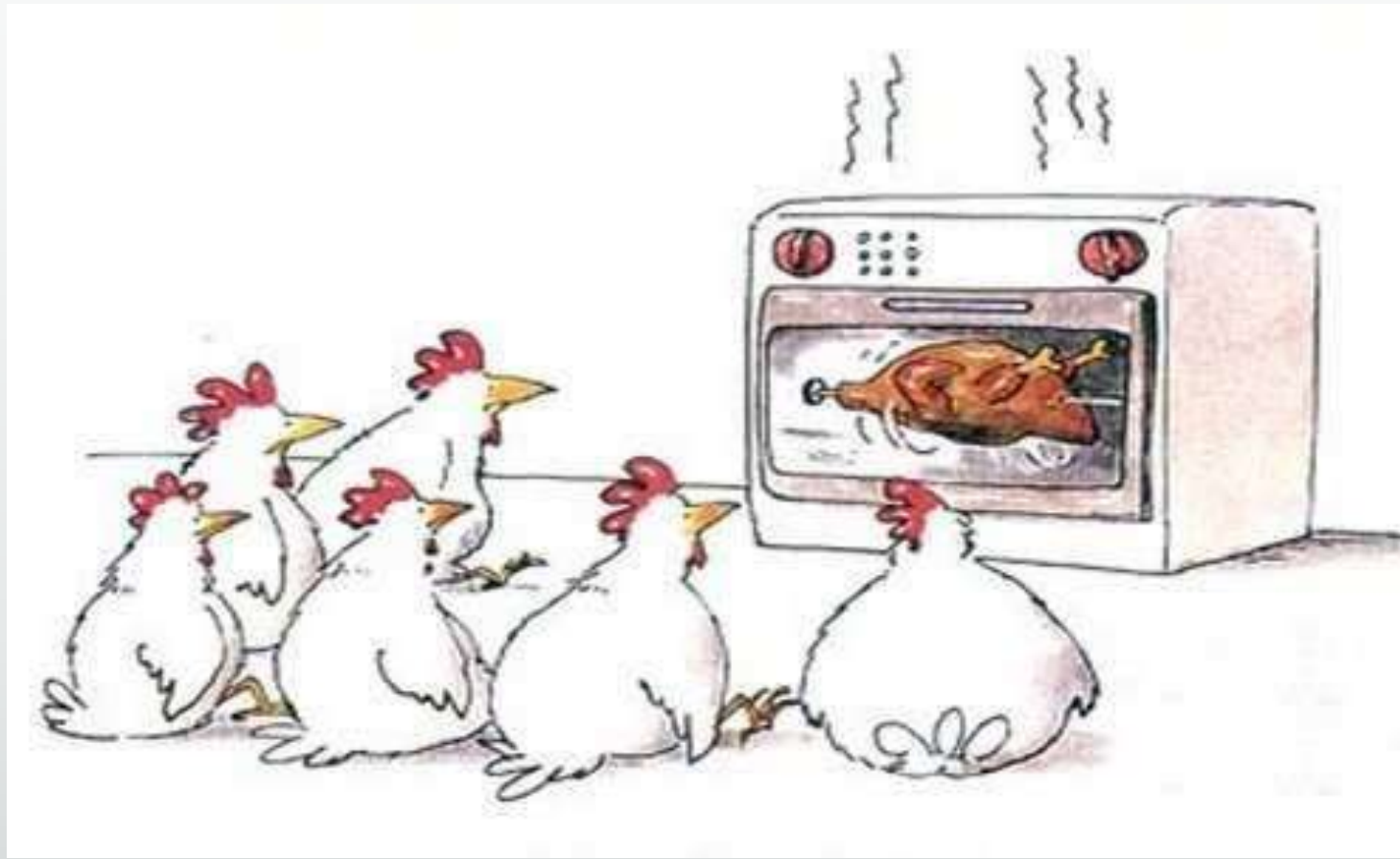
Africa is home to half of the world's uncultivated land: 202 million ha

**BUT !**



**Over 60% of farm power is still provided by human muscle, mostly by women**

Doing nothing in terms of promoting agricultural mechanization in SSA is **not an option**



# Guiding principles for building sustainable models of agricultural mechanization for SSA

- Avoid mistakes of the 1960s and 1970s
- Adopt a supply chain approach to agricultural mechanization
- Benefits of emerging models must reach SSA's diverse farm holdings (types and sizes)



Idle since 2014



## Industry perspectives: Survey results about the importance and potential of the agricultural machinery market in Africa



How important is SSA for your company?

How do you see the future potential of the agricultural machinery market in SSA?

How do you see the role of public-private partnerships in developing sustainable mechanization in SSA?

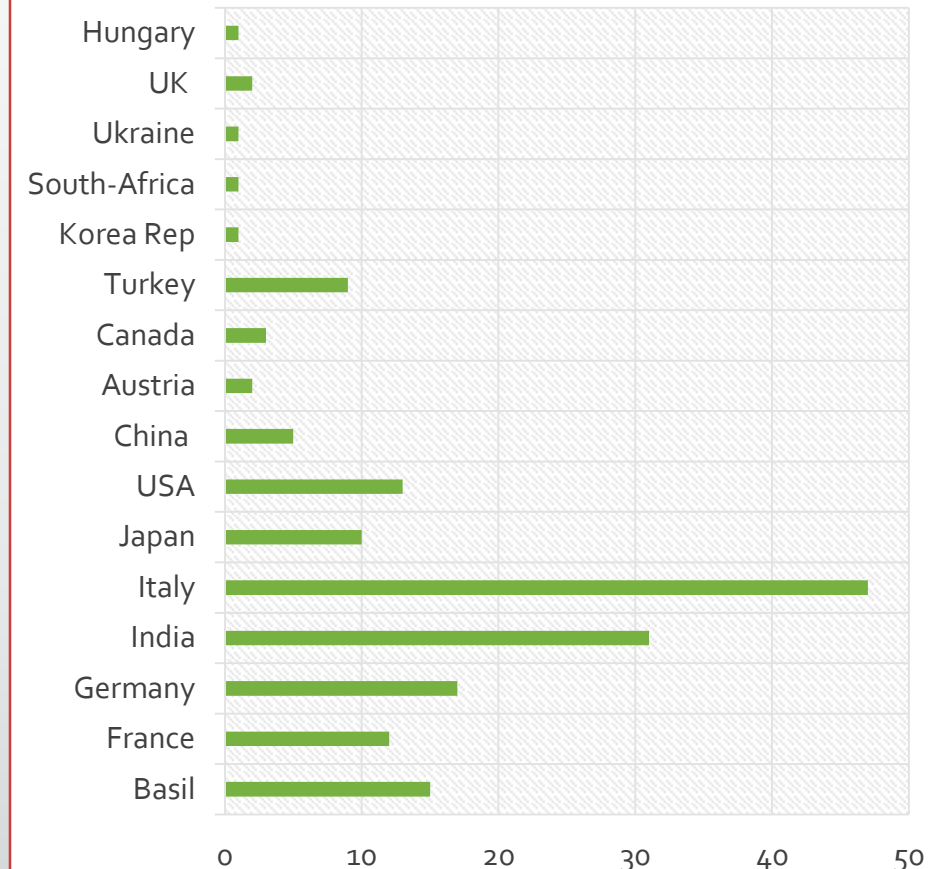
# Data sources

171 companies responded

16 countries representing the main suppliers of tractors and other agricultural machinery

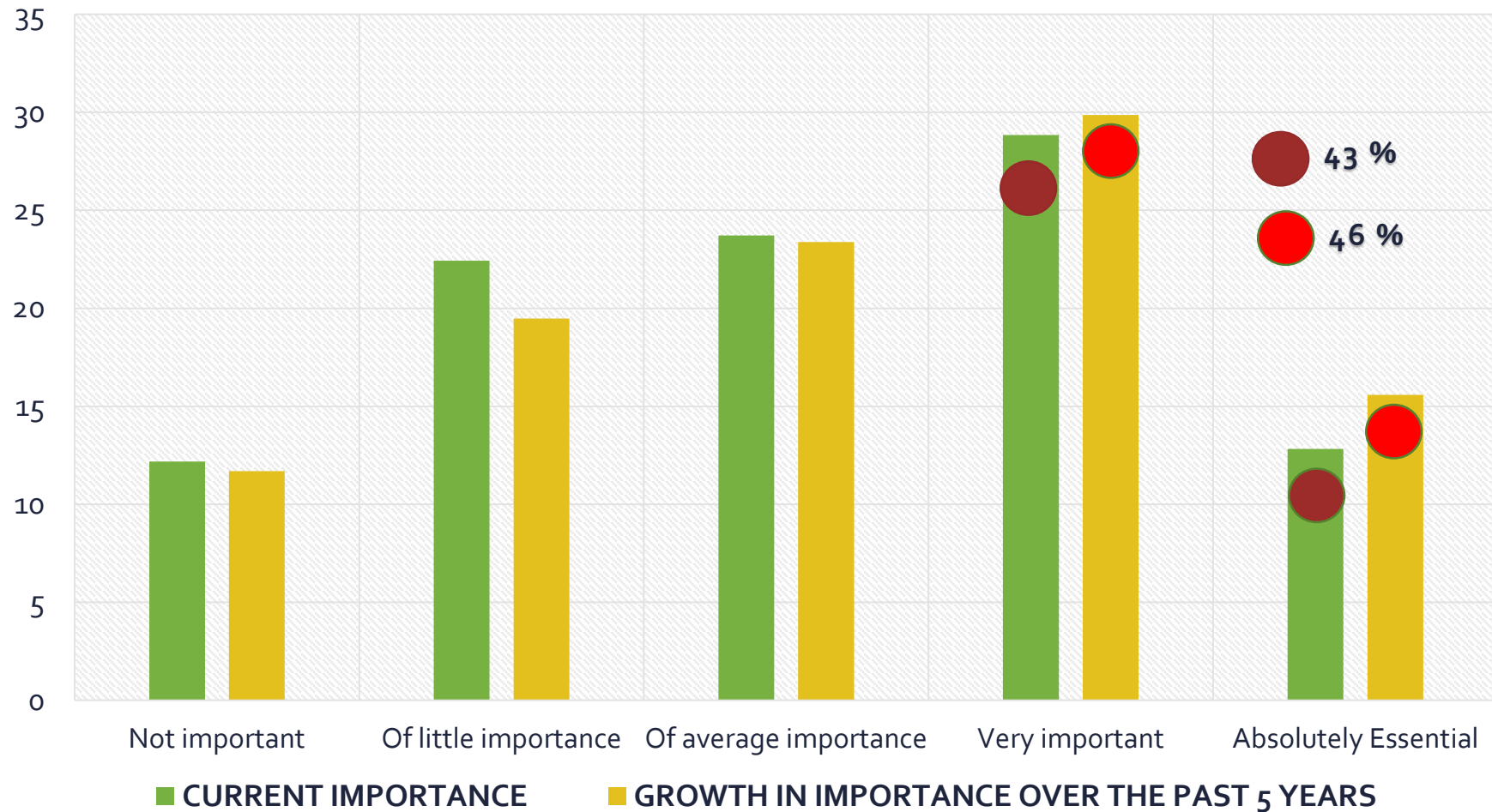
- Austria
- Brazil
- Canada
- China
- France
- Germany
- Hungary
- India
- Italy
- Japan
- Korea
- Turkey
- South-Africa
- Ukraine
- United Kingdom
- USA

## Number of responses per country

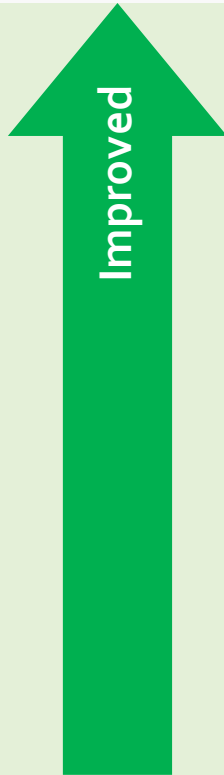




## How important is SSA for your company, % ?

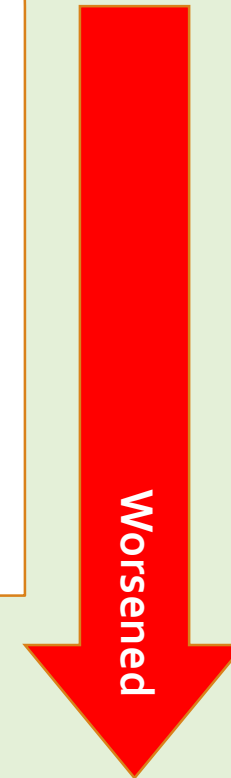


# What has improved/worsened in your business dealings with SSA in the past 5 years?

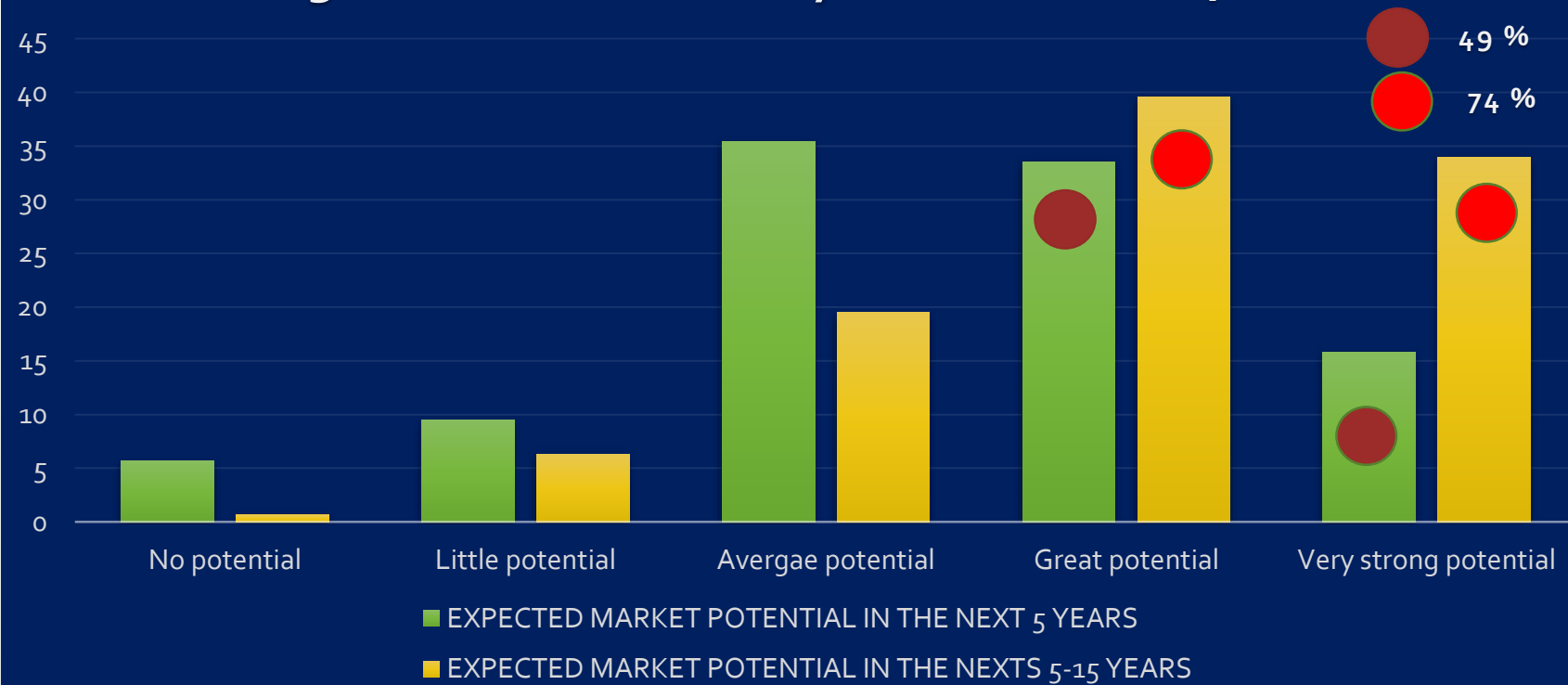


Demand for farm mechanization  
Technical knowledge  
Better understanding of the farmers for quality products  
Understanding of the markets  
Communication and response  
Less corruption  
Distribution network  
More knowledge of how to trade in Africa  
Commercial farms

Currency exchange  
Import regulations  
Financing potential  
Growing competition  
Subsidies  
High volatility of commodity prices  
Difficulties to find a strong partner



## How do you see the future potential of the agricultural machinery market in SSA, % ?



# What needs to improve in SSA for the industry to engage and invest more?

## Government

- Policies and regulations
- Business environment
- Political and economical stability
- Mechanization strategy
- Reduced custom tariffs
- Less corruption
- Basic infrastructure

## Finance and Market

- Credit availability
- Reliable banking system
- More stable currencies
- Payment issues and line of credits
- Market dynamics knowledge

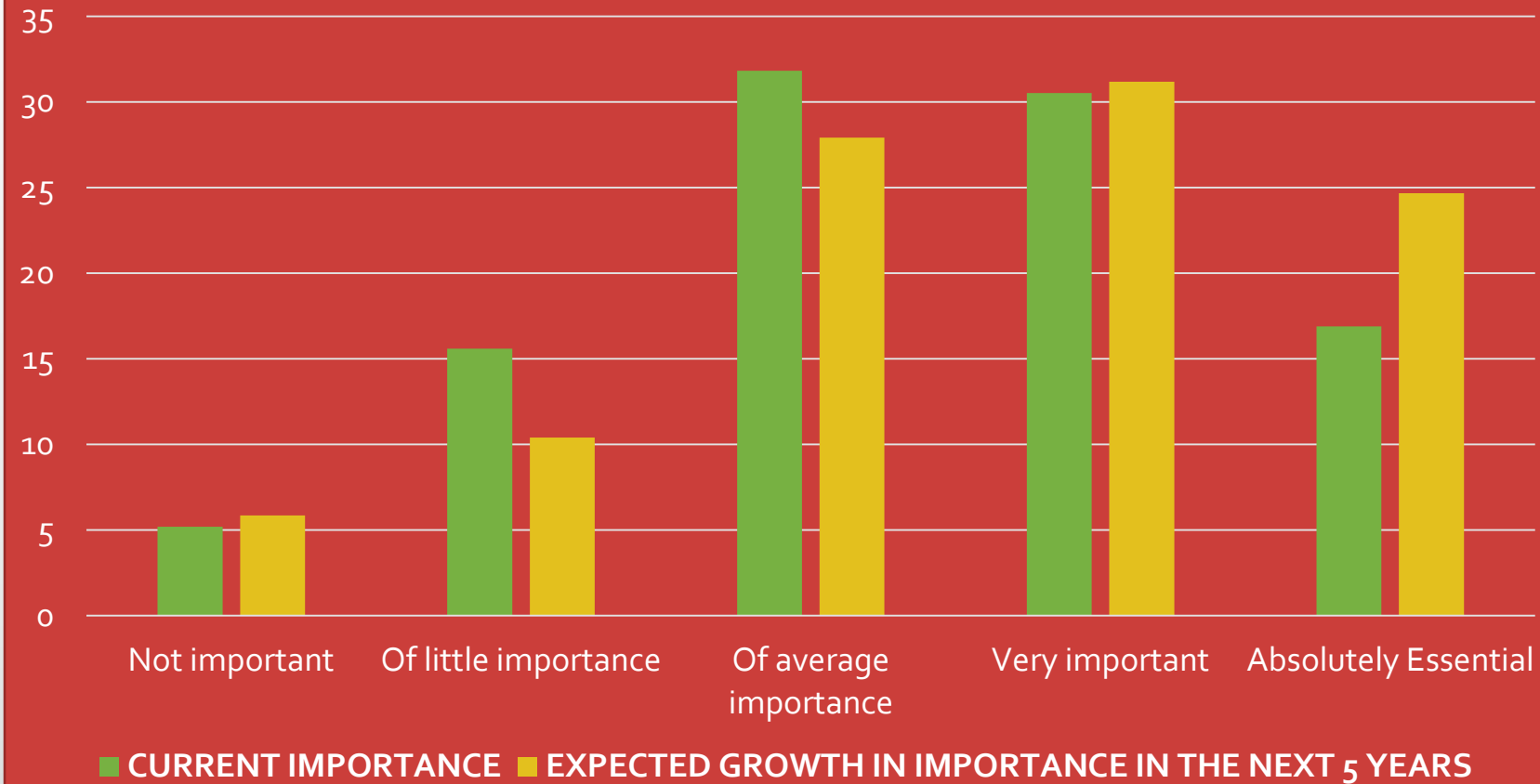
## Industry

- Develop dealership network
- Companies needs to know better each other
- Exhibitions, trade fairs and B2B meetings
- Local production
- Field testing of equipment

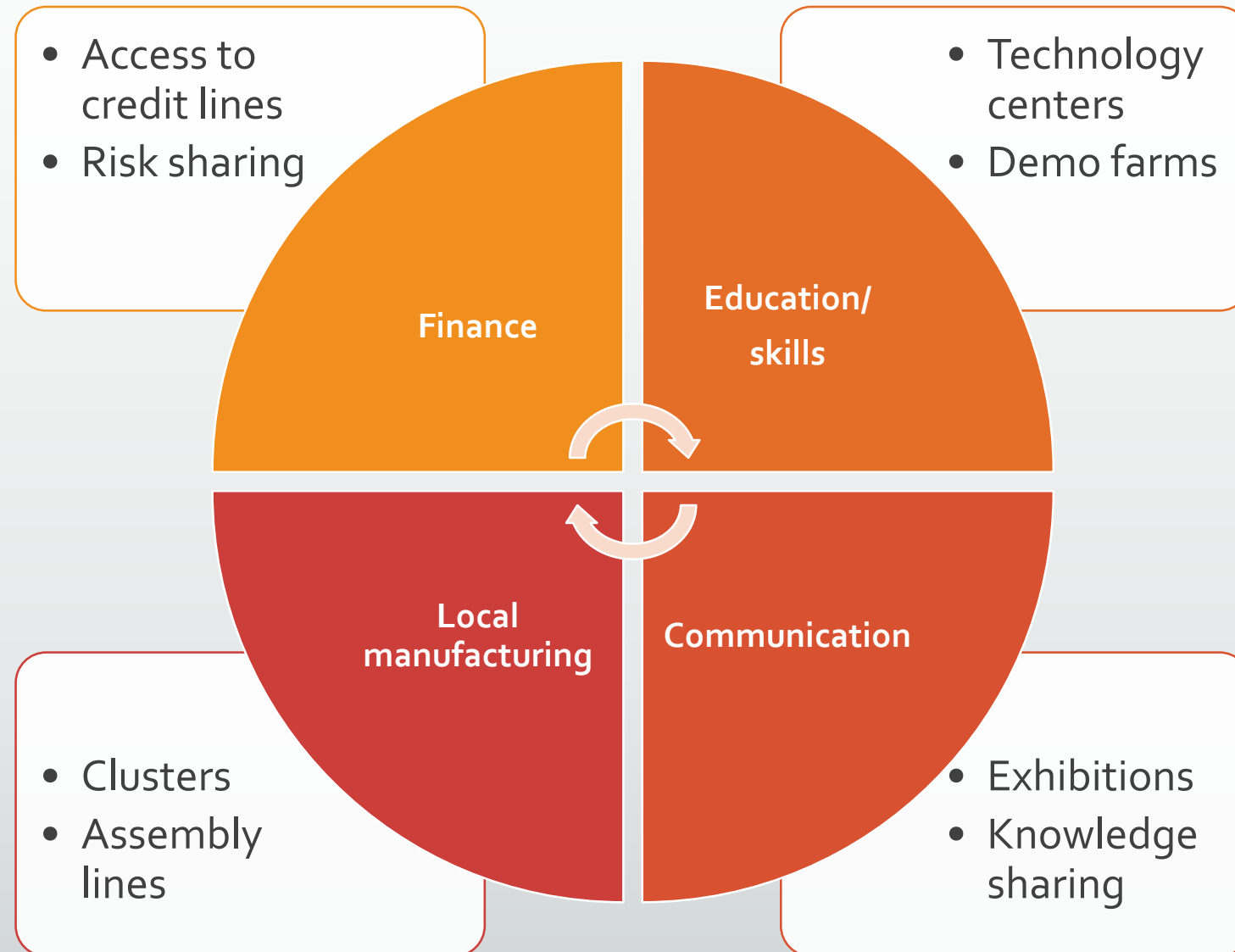
## Farmers and skills

- Technical know-how – education
- Change in agricultural methods
- Focus on quality rather than price
- More commercial farmers
- Awareness of technology

## How do you see the role of public-private partnerships in developing sustainable mechanization in SSA, % ?

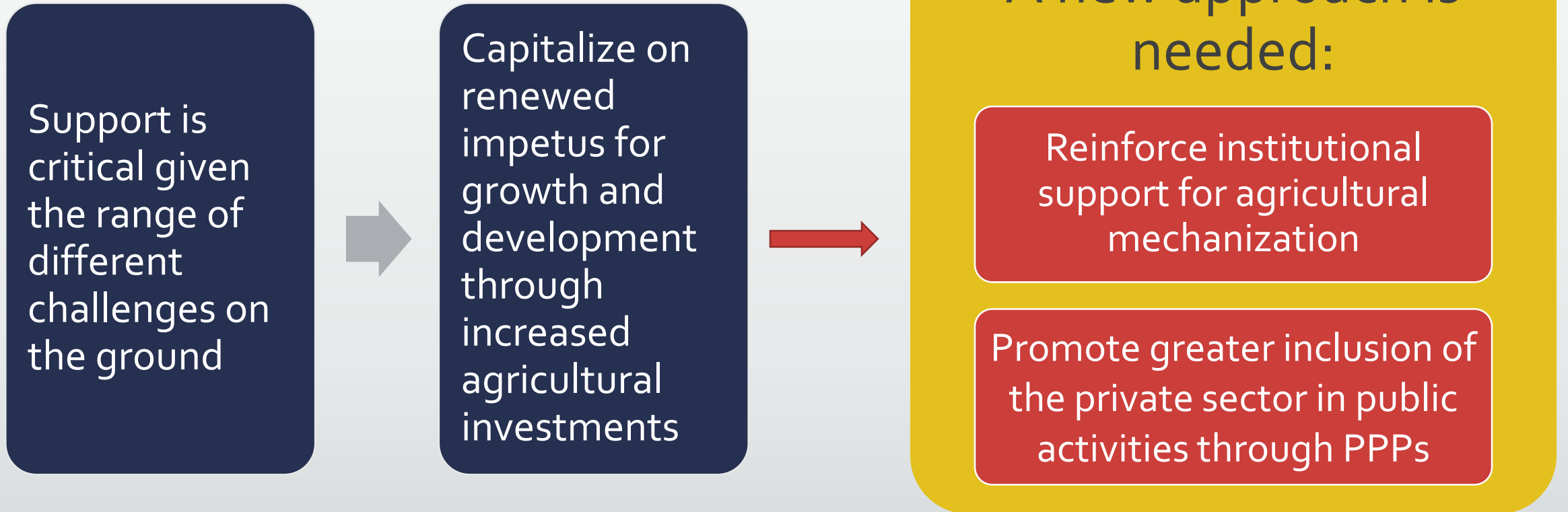


# Which PPP best practices would the industry like to promote for agricultural mechanization in SSA?



# Concluding remarks

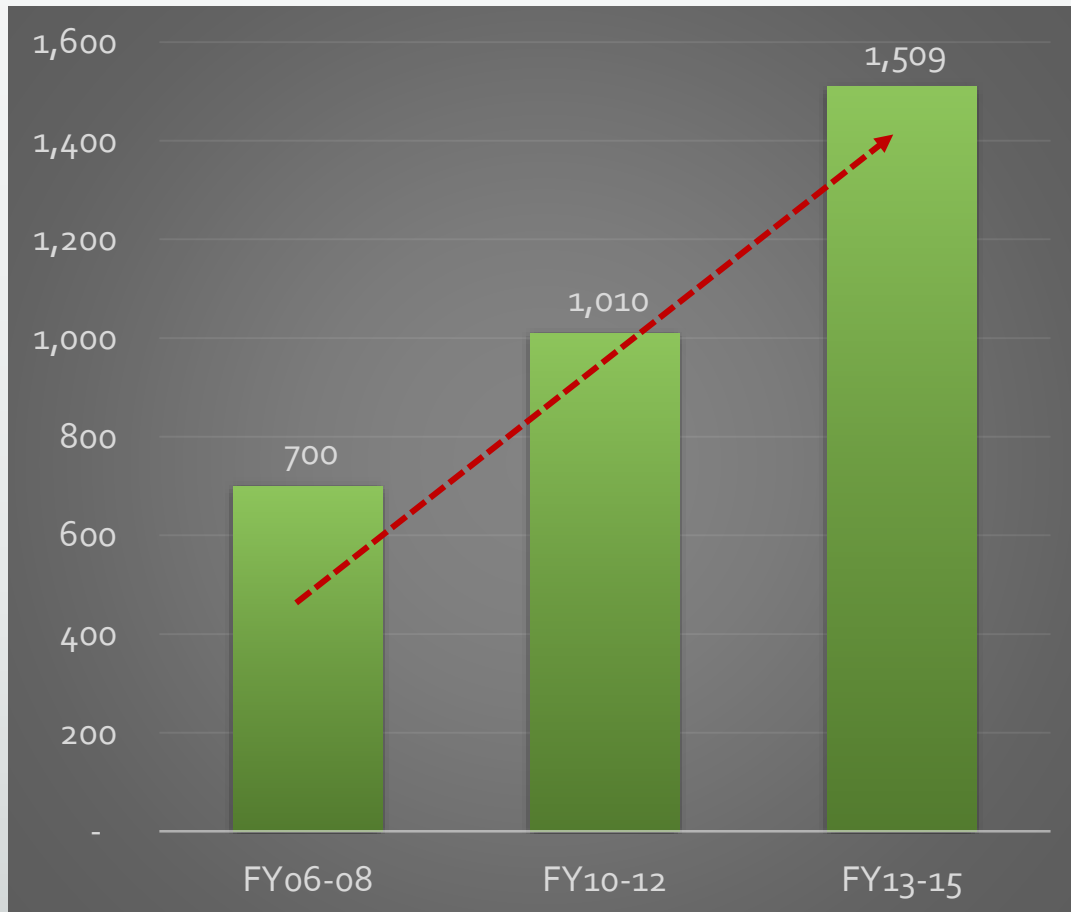
# Doing nothing to develop agricultural mechanization in SSA is **not an option!**



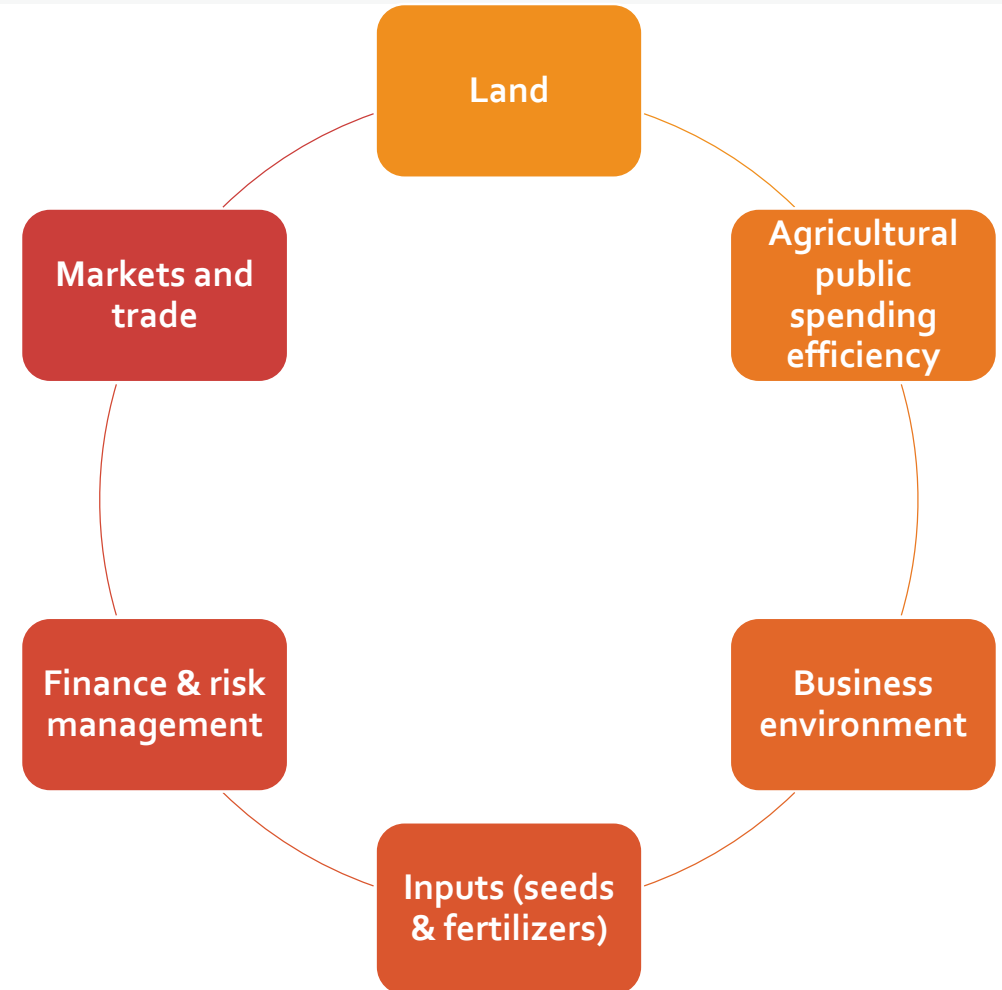


# Leverage World Bank support for SSA's agriculture sector

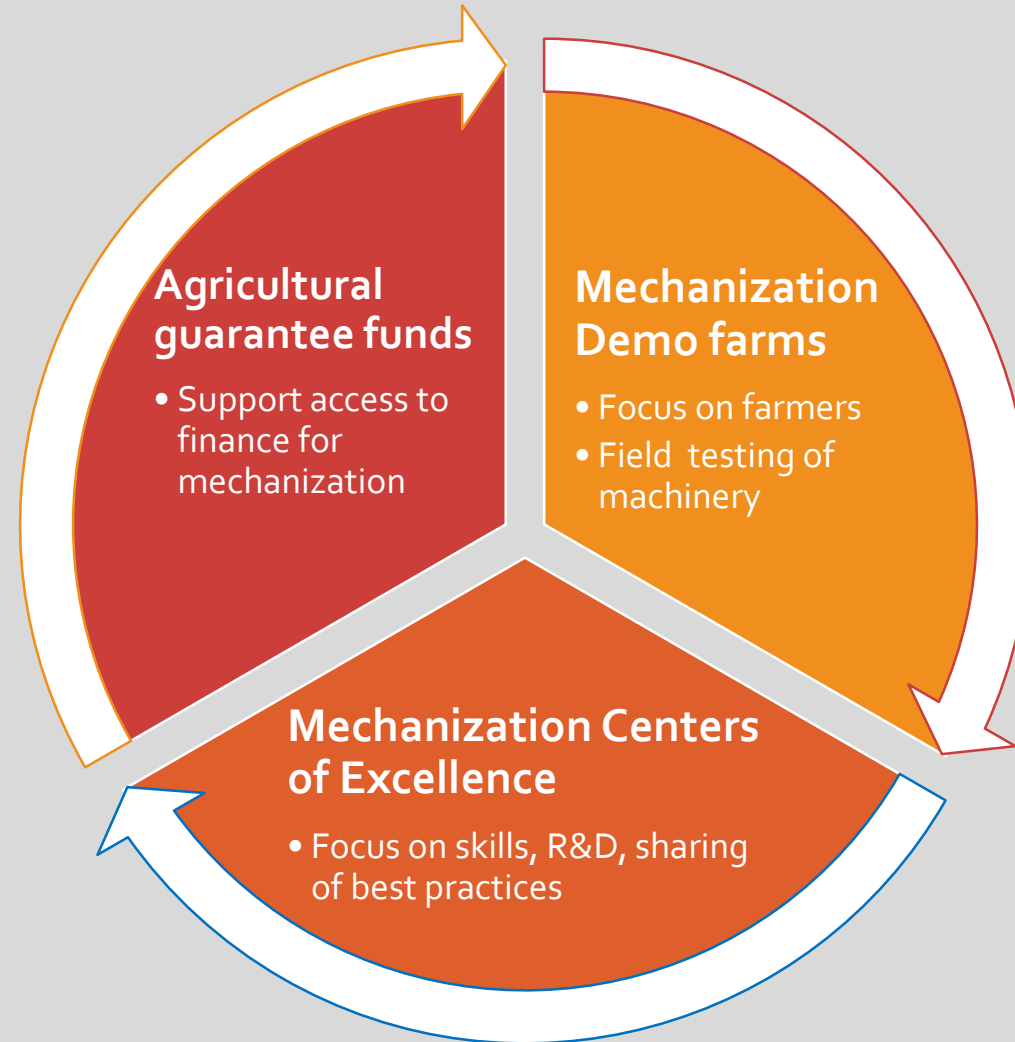
Support for Agriculture and Related Sectors in SSA  
(\$ millions, annual average)



## Broader policy agenda



# New PPP business models...Some quick wins to consider



## Three takeaways:

Agriculture transformation is key to sustaining SSA's drive to end poverty and boost shared prosperity by 2030



Sustainable mechanization can be a powerful force multiplier for securing SSA's agriculture future



Time is not on our side – our actions for the collective good must begin now!



Thank You  
[www.worldbank.org](http://www.worldbank.org)