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# Agriculture Investment

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USAID Rwanda



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# Rwanda Overview

- Poverty, Food Insecurity & Malnutrition
  - 48.7 % Rural poverty
  - Stunting >44 % among rural children < 5
  - 20% of household have seasonal food access problems
- Agriculture & the Rwandan Economy
  - 90% of households practice crop cultivation
  - 80% of labor force employed in agriculture
  - Agriculture accounts for 40% of GDP



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## Political Commitment to Agricultural Development

Continent-wide leader in CAADP process

- First CAADP compact - March 2007
- Increased public expenditure on agriculture
- **Second CAADP compact and Investment plan - End 2013**
  - New vision: Transforming from subsistence to value creating sector with farmers as active market players and GOR facilitator of the private sector.
  - Linked with the new national development strategy
  - More involvement of Private sector



# Opportunities for results

- **Strengths**
  - Highest average GDP growth (almost 7%) in the EAC over the past five years
  - Sound policy environment and macroeconomic stability
  - Lowest corruption levels in EAC
  - Growing access to financial services
  - Vibrant sector coordination systems
  - Robust public financial management systems
- **Challenges**
  - Highest population density in Sub-Saharan Africa
  - Degraded land due to erosion and soil fertility practices
  - Use of improved seeds (19%), pesticides (30%) and fertilizers (38%) remains limited.
  - High transport costs (\$4,900/container from NY)
  - Highest energy costs in the region (\$0.22/kwhr)
  - Weak private sector capacity



# Drivers to Increase Agricultural Productivity

## Key Challenges

Hillside Agriculture / Soil Erosion / Rainfall Dependence →

Low Use of Modern Inputs (Seeds, Fertilizer, etc.) →

Post-Harvest Losses →

Lack of Market Access →

Limited Access to Credit →

Low Human Capacity →

## USAID Responses

Land Husbandry; CC adaptation and IWRM

Fertilizer Privatization (IFDC)

Post-Harvest Handling & Storage

Rural Roads; SPS, aflatoxin

Micro-Finance & Adult Literacy

HICD



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# USAID Rwanda agriculture program

- Value chain development for strategic commodities: beans/maize, dairy, coffee & pyrethrum
- Road rehabilitation
- Land husbandry, water harvesting, and hillside irrigation
- Fertilizer distribution
- Adult literacy and microfinance
- Agriculture research and finance
- Post harvest storage and handling
- Policy Development and Reform
- Climate change adaptation and IWRM



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## Rwanda Results

- **Average agricultural growth over 6%** in the last three years
- **73% of farms** have plots under soil erosion protection
- **46% drop in financial exclusion**
- **111% increase in fertilizer use (38%)** from 2006
- **Exports have risen 40%** since 2008
- **39% increase** in commercialization of smallholder produce from 2006
- **Still malnutrition problems: 44% stunting**



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## GoR Agriculture Sector Strategic Plan

### Sector Outcome

1. Increased agricultural productivity
2. Increased animal resources productivity
3. Increased households' food security
4. Transformed agriculture through research and extension services
5. Enhanced agri-business environment for ag enterprises
6. Improved post-harvest management and agro-processing facilities
7. Increased sector capacity at all implementing levels





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## Biggest current needs

- Linking agriculture productivity and nutrition outcomes
- Seed and plant technology research capacity
- Lower energy costs
- Bringing down the cost of transport
- Workforce development
- Soil rehabilitation
- Breeding and veterinary services



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**THANK YOU**