



PETER MCPHERSON AND RUDY RABBINGE: "FERTILIZER SUBSIDIES WITHOUT BASIC INFRASTRUCTURE, TECHNOLOGY AND TRAINING WILL LEAVE AFRICA JUST ONE SEASON AWAY FROM THE NEXT FOOD CRISIS"

EMINENT EXPERTS CALL FOR INVESTMENT IN SUSTAINABLE AGRICULTURAL AND ECONOMIC GROWTH, CAUTION AGAINST FERTILIZER DISTRIBUTION AS SOLE SOLUTION

Abuja, Nigeria (13 June 2006) – In remarks to the first Africa Fertilizer Summit, Peter McPherson and Rudy Rabbinge, two members of the Summit's Eminent Persons Advisory Group, strongly supported an African-led approach to solving the continent's food and agricultural crisis permanently. Peter McPherson is the founding co-chair of the Partnership to Cut Hunger and Poverty in Africa and former USAID Administrator. As Administrator, McPherson was responsible for the U.S. program that delivered two million tons of food to Africa during the great famine of 1984-85. Prof. Rudy Rabbinge is Chairman of the United Nations Panel on Food Security and Agricultural Productivity in Africa and a member of the Dutch Parliament.

Because history has clearly shown the success of countries that take charge of their own development, McPherson and Rabbinge praised African leaders for developing and implementing their own plans, particularly the African Union (AU)/New Partnership for Africa's Development (NEPAD) Comprehensive African Agricultural Development Program (CAADP) and the recommendations prepared by the Fertilizer Summit technical segment. "Complex problems demand comprehensive solutions," McPherson said, He contrasted CAADP's comprehensive approach to the simple call for subsidies for fertilizer distribution by Prof. Jeffrey Sachs.

McPherson and Rabbinge responded to Prof. Sachs' statement to the Summit that fertilizer subsidies energized the Asian economies. Rabbinge and McPherson agreed that such subsidies played a role during the Asian Green Revolution but noted the sharp contrast between Asia of the 1960s/1970s and Africa today:

- * Asia already benefited from an extensive transport structure that connected agricultural lands with markets, whereas Africa suffers from the lowest road density in the world. Africa's roads too frequently bypass agricultural production.
- * India and Pakistan, for example, already had a significant pool of scientists and engineers that could develop and deploy new technologies and techniques. While Africa has many excellent people the investment in improving their skills and know-how has not yet been nearly enough.
- * Asian farmers benefiting from their Green Revolution grew mainly rice and wheat. In contrast, African farmers grow a wide range of crops, several of which

do not yet have high-yielding varieties, which have the greatest potential to benefit from the extra nutrients provided by increased fertilizer use.

These Asia-Africa differences were also commented on by the Father of the Green Revolution, Dr Norman Borlaug, who also spoke at the conference.

McPherson noted the development theories of the 1960s that assumed new resources such as fertilizer and credit alone would stimulate growth in developing countries are now discredited. "Without the strong foundation of rural roads, farmer organizations, technology development and extension – all of which were highlighted in CAADP and reaffirmed by the Summit's technical working groups -- new resources can too easily quickly seep away, leaving no growth and no future," said McPherson and Rabbinge.

McPherson and Rabbinge said much of the donor community has moved away from investments that drive long-term economic development, such as agricultural research, roads, and training. "It is politically easier to mobilize funds for quick fixes, such as free fertilizer, than for other necessary but longer-term solutions, such as building roads and training agricultural scientists," McPherson said. But both men also said that African governments themselves have not pushed hard enough until now for agriculture and long-term investments in their own priorities and budgets.

Rabbinge and McPherson applauded Prof. Sachs for his efforts to draw attention to agriculture as the key catalyst to reduce hunger and poverty through economic growth. But, they said, it would be tragic to pour huge resources into subsidies and ignore the hard lessons learned -- that a strong foundation of physical and human infrastructure is necessary to stimulate economic growth. "Shame on all of us if ten to fifteen years from now we still have not created the real foundation for economic growth in Africa because we have allowed ourselves to be convinced by specious arguments."

McPherson and Rabbinge strongly endorsed the constructive recommendations made by the Fertilizer Summit Technical Committee to the Ministers of Agriculture and Heads of State. Based on the continent's recent positive experiences with smart public policies and investments, these recommendations included:

- * accelerated investment in fertilizer
- * reducing the cost of fertilizer through harmonized regulations as well as duty and tax-free trade of fertilizers across the continent;
- * developing and scaling up input dealer networks;
- * strengthening farmers' organizations, and
- * improving both output markets and access to finance.

McPherson and Rabbinge noted that African leaders can ask donors to support blanket subsidies as recommended by Prof. Sachs, who also argued against the increasing dependence on food aid and emergency assistance. But, especially given finite development resources, they said, " unlimited fertilizer subsidies without substantial resources for the basics of infrastructure, technology and training will leave Africa just one season away from the next food crisis."