

African Agriculture: RE: “Ending Famine, Simply by Ignoring

the Experts”, by Celia Dugger

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The thesis of the story is basically that by doing the opposite of what the World Bank advised and subsidizing fertilizer, Malawi has managed to find itself in a world of agricultural plenty.

Low fertilizer use is indeed one of the Africa’s most vexing challenges. But subsidizing is only a bandaid, masking its high cost and low productivity without sustaining growth... Dr. Masters and his colleagues at Purdue University did one of the first studies of Malawi’s fertilizer subsidy program, when it was first introduced. They predicted the high payoff reported in the recent NYT article, but found that it had little to do with the fertilizer subsidy as such. Most of the effect comes from the improved seed that accompanied the fertilizer, and from overcoming Malawian farmers’ credit constraints

Without underlying change, warns Dr. Dick Sserunkuuma, an economist at Makerere University in Kampala, farmers do not benefit enough from the fertilizer to make the subsidy an effective development strategy. The article makes it sound like farmers in Malawi can achieve international levels of competitiveness simply by applying fertilizer.

This is simply not true...

The World Bank has given out lots of loans to African governments for fertilizer and it has good reason to be cautious. For example, in an effort to stave off famine and reduce Ethiopia’s dependence on food aid, in 1995 the World Bank gave two loans to the government of Ethiopia totaling \$164 million to support fertilizer use. Fertilizer use increased quite a bit, and with good rains in 2000/2001 there was a record harvest and maize prices plummeted. I was there that year and the sad joke was that farmers had come all the way to Addis to beg on the streets for money to repay their fertilizer loans. Inputs can be productive without being profitable...

Without underlying change, warns Dr. Dick Sserunkuuma, an economist at Makerere University in Kampala, farmers do not benefit enough from More fertilizer use is clearly an important part of poverty-alleviation success stories around the world, driven by the spread of improved seed and favorable market conditions.

Subsidized fertilizer can raise output only temporarily. So there is certainly scope for increased fertilizer use in Africa, but it is perhaps not the magic bullet that the NYT headline would have us believe.

Counterpoint:

One of the world's poorest countries will become a food donor this year. The small Southern African nation of Malawi, itself historically dependent on food aid, will give 10,000 metric tons of maize to Lesotho and Swaziland, both of which are experiencing critical food shortages, leaders announced at last month's Southern African Development Community (SADC) Summit.

Good weather and aggressive government programs subsidizing the sale of high-yield seeds and fertilizer to small farmers have led to an exceptional maize harvest. "They've been spectacularly successful," Richard Lee, the World Food Program Regional Information Officer for Southern Africa said in an interview.

"Back in 2003 [and] 2005 millions of people needed food assistance, and this year [there is] a huge one million plus cereal surplus, primarily because they gave farmers the tools to do the job."

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