REPUBLIC OF MOZAMBIQUE

MINISTRY OF AGRICULTURE AND FOOD SECURITY

MOZAMBIQUE
OPPORTUNITIES AND PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

Gaberone,27 February 2019

Presentation Outline

I. MOZAMBIQUE AT A GLANCE

II. AGRICULTURE SECTOR

III. STRATEGIC PLAN

IV. AGRICULTURE PRIORITIES

V. INVESTMENT OPPORTUNITIES

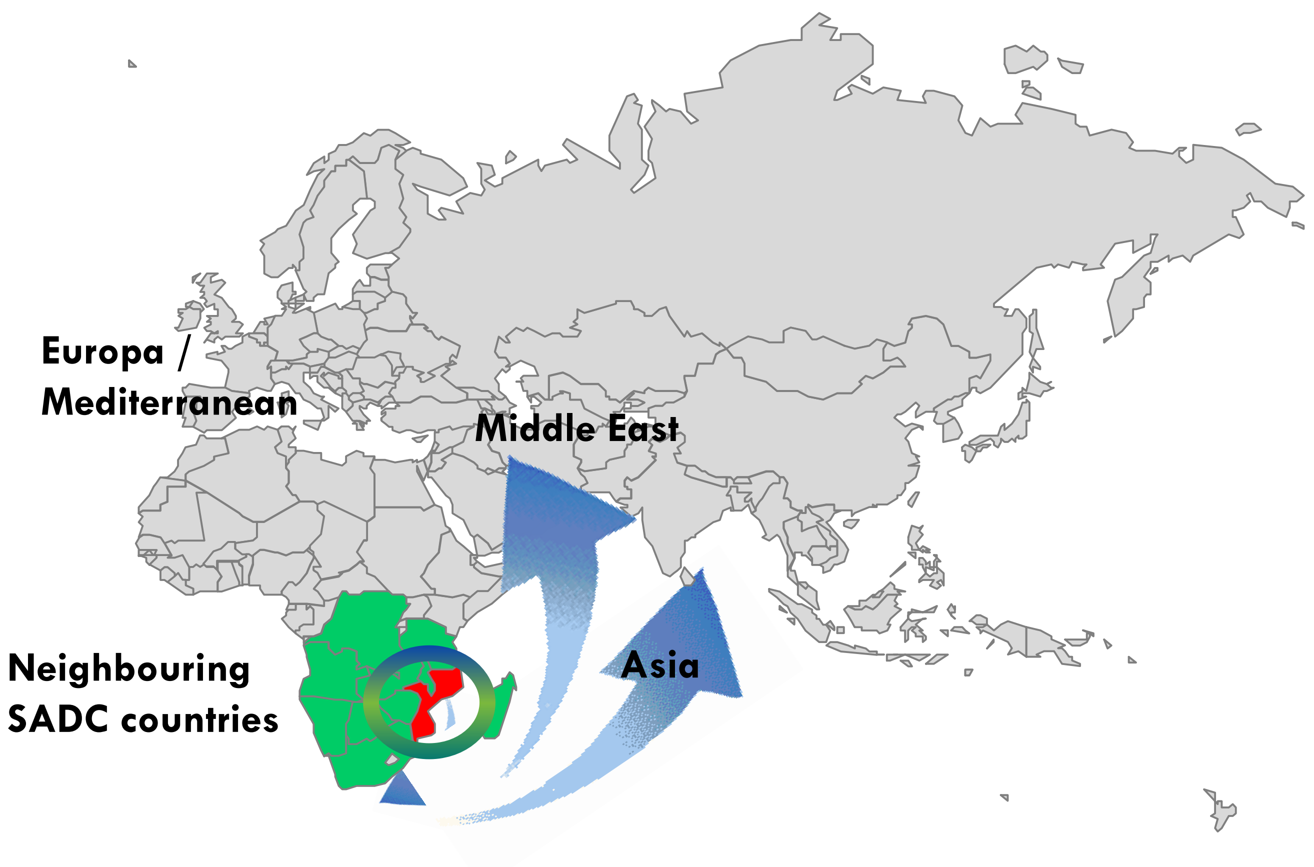
VI. AGRIBUSINESS CHALLENGES

MOÇAMBIQUE CRIANDO RIQUEZA

I. Mozambique at a Glance

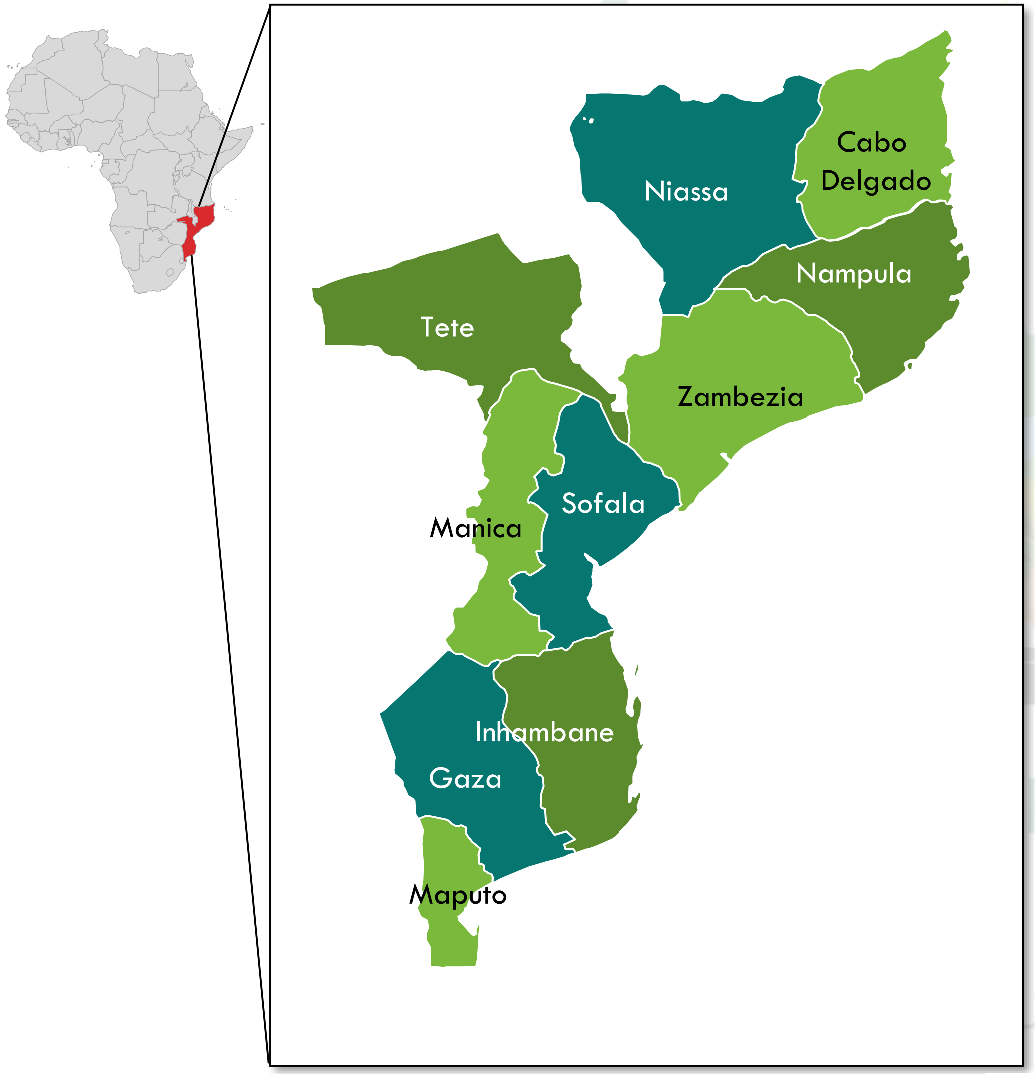
Mozambique has an advantageous geographic position, providing an ideal gateway to both international and regional markets

Mozambique: Proximity to High Opportunity Markets



- Coastline = 2,700 km
- Natural gateway to the Middle East, Mediterranean and Asia
- Development corridors, ports, airports, railways, roads and pipelines, facilitates access for the hinterland countries (SADC Region)
- 28 million inhabitants in a region with 250 million consumers (SADC Region)

I. Mozambique at Glance



Demographics (2016)

- **Population:** 28 million (estimates)
- **Population Growth** (5 Year CAGR): 2%
- **Capital:** Maputo
- **National Language:** Portuguese
- **Business Languages:** Portuguese & English

Land and Climate

- **Area:** ~80 million ha
- **Arable Land:** 36 million hectares
- **Climate:** Tropical to Sub-Tropical

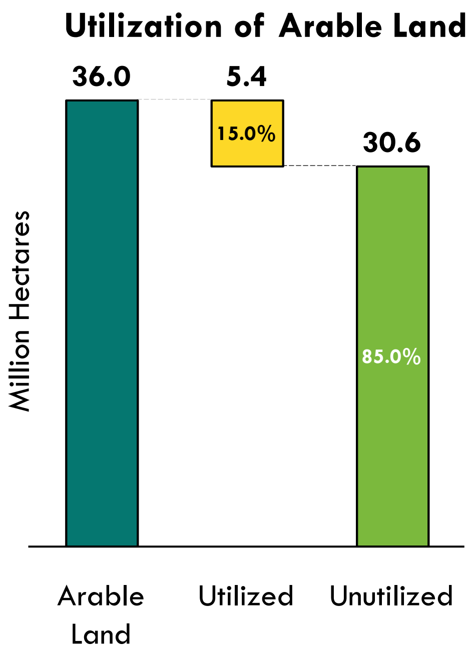
Key Economic Indicators (2018)

- **Currency:** Metical, Abbreviation: MT
- **GDP:** USD 17 B (estimates)
- **GDP per Capita:** USD 703
- **Projected Annual GDP Growth:** 10% average through 2017
- **Agriculture Contribution to GDP:** 25%

II. Agriculture Sector

1. POTENTIAL

Mozambique offers competitive growing conditions – plentiful water supply combined with diverse micro-climates to support a broad range of agricultural commodities



Major rivers such as Zambezi, Limpopo and other tertiary rivers offers **tremendous irrigation potential**

EXTENSIVE WATER COURSES

VAST UNUTILIZED ARABLE LAND

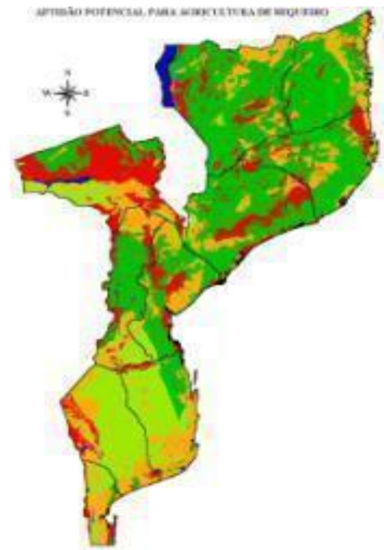
High Agricultural Potential

10 DISTINCT AGRO-CLIMATIC ZONES

YEAR-ROUND PRODUCTION POTENTIAL

Tropical climate offer **potential for year-round, high yield crop production**

Land Suitability



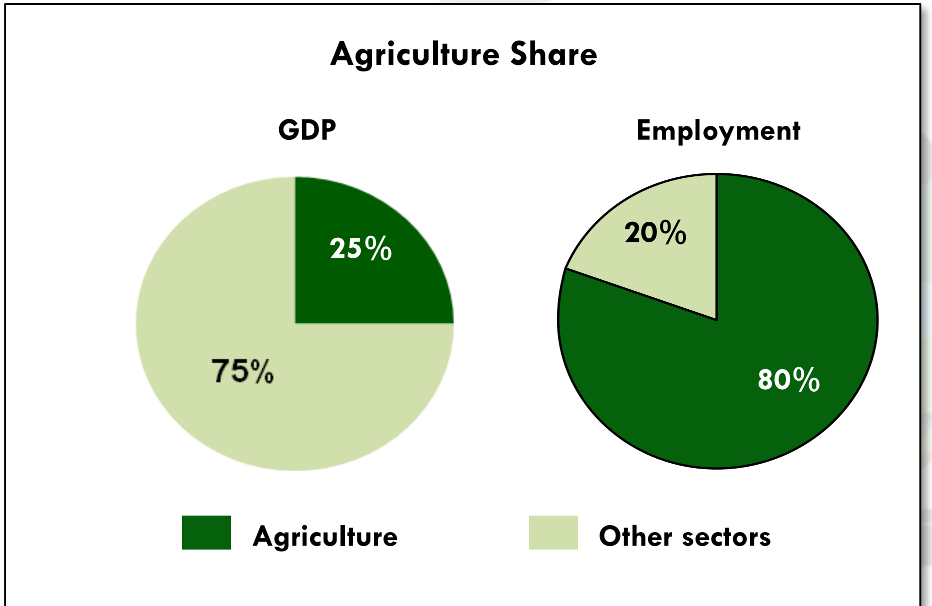
Suitable for rainfall agriculture

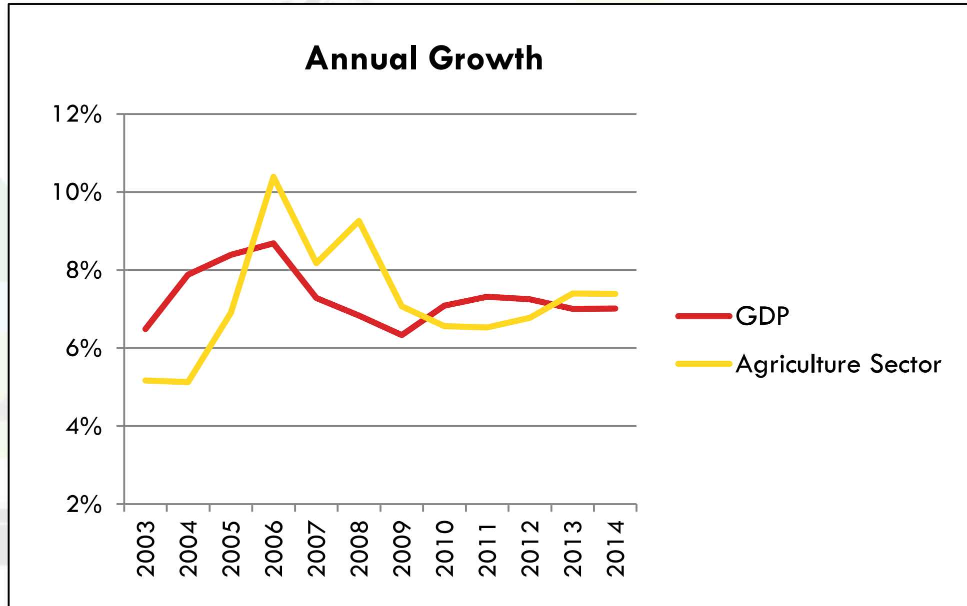
Moderately suitable for rainfall agriculture

II. Agriculture Sector

2. PERFORMANCE

Agriculture is the mainstray of Mozambique's economy and presents a good perfomance





Agriculture contributes 25% to the GDP and employs about 80% of the labor

From 2005 to 2018, Agriculture grew in average faster than the economy: Agriculture 7.4% and the Economy 7.1%

III. Strategic Plan (1/2)

Agriculture Strategic Development Plan

PEDSA (2011 – 2019)

Vision:
A prosperous, competitive and sustainable agrarian sector able to provide answers to the challenges of food security and nutrition and reach agricultural markets globally

Mission:
Contribute to food security and farmers incomes in a competitive and sustainable way, guaranteeing social and gender equality

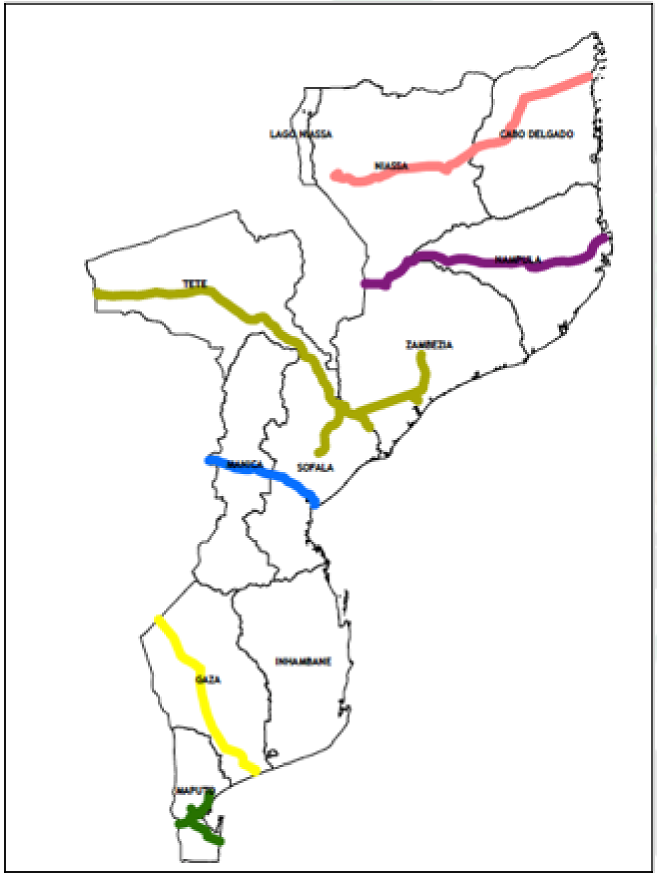
Objectives: i) *To accelerate the production of staple foods* , ii) *Increase income*, iii) *Ensure secure access and use of natural resources*, iv) *Provide services in view of the value chain*, v) *Promote the development of areas of higher agricultural potential*, and vi) *Contribute to the balance of trade.*

1. Productivity and agricultural production in order to increase competitiveness
2. Infrastructure and services for markets and improved marketing
3. **FOOD AND NUTRITION SECURITY**
4. Sustainable management of natural resources (soil and water)
5. Agricultural institutions strengthened and reformed

Goals:
i) *average annual growth of at least* ***7 % per annum***, ii) *reduction of chronic malnutrition from 44% to 30% in 2015 and 20% in 2020*, and iii) *halve the proportion of people who suffer from hunger*

III. Strategic Plan

PEDSA identifies ***six growth corridors for agriculture development*** as well as specific value chains



Corridor	Value Chains
Pemba-Lichinga	**Potato**, wheat, **beans**, **maize**, **soybeans**, **vegetables,** forestry, cotton, sesame and **poultry.**
Nacala	**Cassava**, **maize**, cotton, sesame, **vegetables,** fruits, **poultry,** groundnuts, **cashew** and **forestry.**
Zambeze Valley	**Rice**, maize, potato, **cattle**, **goats**, **vegetables,** sesame, cotton e **poultry**
Beira	**Maize**, wheat, **vegetables**, **poultry**, maize, soybeans, rice, sesame, cattle, **sugar and forestry.**
Limpopo	**Rice**, **vegetables,** maize, **red meat and poultry.**
Maputo	Rice, **vegetables,** maize, **red meat and poultry.**

Assumptions:

Soil & climate conditions, Strategic location towards market, Existing and/or projected infra-structures, and Agri crops diversification.

IV. Agriculture Priorities

1. **Research** – generation and technology transfer;
2. **Extension Services** – technical assistance to increase farmers' production;
3. **Mechanization & Irrigation Infrastructures** – establishment of Service Centers and sustainable irrigation systems;
4. **Intensive production of fruits and vegetables** – establishment of greenhouses and development of irrigation infrastructure;
5. **Intensive production of poultry and livestock** – increase chickens, eggs and red meat production;
6. **Promotion of young entrepreneurship** – incubation programs

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V. Investment Opportunities

For the Agriculture Sector development 15 strategic value chains were identified, of which **7** are **priorities.**

7 PRIORITY VALUE CHAINS


Vegetables


Rice


Beans


Roots & Tubers


Poultry


Livestock


Fruiticulture

15 STRATEGIC VALUES CHAINS


Maize


Banana


Sugar


Sesame


Soybeans


Cashew nuts


Cotton


Wheat


Potatoes

VII. Agribusiness Challenges

The challenge is to transform the opportunities into inclusive wealth generation through job creation and promotion of emerging farmers through PPP approach.

Area	Main Challenges	Strategic Approach
Appropriate Technologies	• Increase the agricultural productivity; • Improve access to technology and improved inputs;	Establishment of serivice centers – *mecanization, inputs shops, processing plants and technical support*
Technical Support	• Building capacities of farmers and entrepreneurs and promotion of youth inclusive business	Development of Human Capital – Business orientation, technology transfer and agribusiness incubators
Financing	• Improve access to financing • Improve risk management	Promotion of line of credits, risk capital and *agricultural insurance*
Infra-structures	• Improve infra-structure provision	Irrigation and water infrastructure, Roads, Electricity and Provision of agri-processing plants / units
Market Access	• Improve market access	Export promotion, trade fairs and market information

VII. Agribusiness Challenges

- In this context we emphasize our commitment to work with CABI in following challenges:
- Food security and food safety
- Plant and animal protection /sanitary and phitossanitary issues
- Climate change/resilient issues
- Technical Information access/shere
- Harmonization of legislation in the region
- Capacity building
- Infrastructure and laboratory equipment
- Formation and training of human resource
- Implementation of partnership with CABI
- Industrialization/ agro processing

Thank you

Very much