“Africa’s pathway out of poverty”

by Dr. Akinwumi A. Adesina, President of the African Development Bank,
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Today, I will be speaking about Africa’s pathway out of poverty. For millions of rural poor, their aspiration is that they will make it out of poverty, especially through their kids, and thereby laying the foundations of a march out of poverty for generations to come.

This is my story. My father and grandfather were farmers, and became so poor farming they had to work as part-time labourers on other people’s farms. My father told me that farming did not pay. It was through a benefactor that he made it out of the village to get the benefit of education. It was that golden opportunity, with a lot of sacrifices that gave me the benefit of an education, and today, by God’s grace given me an incredible opportunity to stand on the global stage to receive the World Food Prize.

We must invest in education across Africa, especially across rural Africa, for this is the fastest way to end inter-generational poverty.

As a Christian, the Bible always inspires me. The Bible tells of the story of the Apostle Paul, preaching the gospel of Jesus Christ and in a vision he heard a voice, a cry from the people of Macedonia. The voice said, “Come to Macedonia and help us.” (Acts 9:16). Paul rose up in obedience to preach the gospel and save the people. I know you all must be wondering whether you are listening to a preacher today. Of course, I am a preacher, for sure.

For like Paul, I also hear the voices rising out of rural Africa, “Come here and help us get out of poverty.” This “agriculture gospel” was first preached by Dr. Norman Borlaug, the Nobel Peace Prize-winner, who created the World Food Prize, for he heard the voices of a billion people and, through his dedicated work, delivered a green revolution across Asia that fed a billion people.

Dr. Borlaug was always a huge inspiration for me. But one moment in particular stands out in our relationship. It was in 2006, as we both walked the streets of New York on our way to the Rockefeller Foundation. He gently put his hand on my shoulder and asked, “Akin, do you play football?” I wondered why he would ask such a question, out of the blue, given that we were discussing agriculture and how to feed Africa. Unsure of what he was getting at, I politely said, yes, I play soccer. He then proceeded, now with deliberateness in his voice: “You see, in soccer, you can never believe you can win, unless you score the first goal. Akin, I want you to go out there and score goals for agriculture in Africa. Then Africa will believe it can win with agriculture.” It was such a defining moment for me.

I am proud to be a disciple of Norman Borlaug to preach the new “agriculture gospel” across Africa. The new agriculture gospel is simple: to lift millions of people out of poverty, agriculture must become a business. For in agriculture as a business lies the hope of economic prosperity for Africa.
Let me share with you my walk on this, if you may, my missionary journey to reach Africa’s rural poor and unlock the potential of agriculture in Africa.

Every time I pass through rural parts of African countries – where the agriculture engine is or should be unlocked – I see nothing but wasting potential. They sit on 65% of the uncultivated arable land left to feed the world, but can barely feed themselves. They hear of rich farmers in Europe and America and wonder why they themselves languish in poverty. Certainly life must be better than this. Why have we forgotten them?

Conventional economic growth models look down on the agricultural sector as a low value sector. So much so that, for decades, leading economists saw getting out of agriculture as the way to national prosperity. The path to prosperity was industrial development. Rising wages in the industrial sector would pull labour out of agriculture. This has led to underinvestment in agriculture, the so-called primary sector. In the race towards industrial manufacturing, countries underinvested in rural areas, embarking on urban-biased development. The dual poles were created: poor rural areas versus rich urban areas.

Extreme poverty in rural areas has turned them into zones of economic misery, but also fertile recruitment zones for militants and terrorists. The biggest development challenge today is how to create and spread hope across these battered rural lands. If we don’t, the grinding poverty in rural areas and hopelessness will cause African economies to implode.

We must create sustainable paths out of poverty in rural areas. The way to do this is to invert the economic development model: turn the rural areas from zones of economic misery to zones of economic prosperity. The solution lies in making agriculture a source of wealth creation in rural economies.

Think about it for a moment. A great opportunity to invest in and promote agriculture is offered by the projected rise of Africa’s food and agriculture market, which will top $1 trillion by 2030.

We must start tapping into this potential market to create wealth by strongly supporting farmers, especially millions of smallholder farmers. I have never seen any farmer that wants to be poor, and neither have I met a subsistence farmer. What I have seen, are hard-working farmers, who simply are poor because they lack access to technologies to boost their production, without access to affordable finance, unable to turn their land assets to wealth, abandoned by political leaders, and left to fend for themselves, like a boat left to drift alone at sea.

Yet, like every one of us, deep down in their hearts is an undying hope that they will leave behind a better future for their children; that their children will not have to suffer the indignities of poverty. The hope of millions of marginalized Africans is that, through a good education, their own children will escape from the traps and clutches of poverty.

The main highway out of poverty for farmers lies in having the right political leadership, one that is able to take bold decisions to unshackle millions desperately looking for help and an opportunity to create wealth.

It was this search for political leaders that’ll stand up and be counted that led me and my colleagues at the Rockefeller Foundation, to initiate the Africa Fertilizer Summit, backed by eminent global leaders, with the inspiration of then President Obasanjo of Nigeria. It was the largest effort in Africa’s history to galvanize leaders for agriculture. At the age of 92 years, Dr. Borlaug showed up in Abuja, Nigeria, calling on leaders to rise up. They did. The result was the adoption of the need
for an African green revolution by 40 Heads of States and Governments. We turned back 30 years
of push back on the use of fertilizers in Africa.

But we won’t get anywhere unless farmers in rural areas are able to access farm inputs. I realized
that millions of farmers were unable to obtain access to improved seeds and fertilizers because rural
input markets were poorly developed or absent in most cases. It was easier to find soda pop in rural
Africa than farm inputs.

This led me, while at the Rockefeller Foundation, to develop and work with several partners to roll
out a major program to develop agro-dealer networks, a network of rural farm input retail shops
across rural Africa. And we needed several thousands of them per country to ensure no farmer
travelled more than 3 kilometers’ radius to find seeds and fertilizers. Guarantee facilities were
established in several African countries to improve the access of agro dealers to trade finance in
order to stock up on farm inputs.

The initiative triggered a revolution, unleashing a wave of rural farm input shops run by the private
sector, and successfully getting farm inputs to the doorsteps of farmers. Bill and Melinda Gates,
Raj Shah (now the President of the Rockefeller Foundation) and I made a visit in 2006 to some of
these agro-dealers in rural Africa. Bill became convinced the model held potential and, in the fall
of the same year, he joined together with the Rockefeller Foundation, to create the Alliance for
a Green Revolution in Africa (AGRA), where I served as its first Vice-President.

With over $150 million in funding to AGRA, we began to roll out these farm input shops. Today,
millions of farmers can now easily gain access to farm inputs, boosting farm production, triggering
rapid growth of seed and fertilizer companies. Always, I was inspired by Dr. Borlaug’s words:
“Take it to the farmers.”

The fact is, we could get even greater results if farmers receive strong support from governments,
just as they did when Norman Borlaug led the green revolution in Asia. I am an advocate for
subsidies for farmers in Africa. Many had written off subsidies in Africa, as corruption-laden and
inefficient. And they were right, but they missed the crucial point: the problem was not the subsidy,
but the system that delivered them.

Back in 2004, while at Rockefeller Foundation, I helped to spearhead with other colleagues,
including Pedro Sanchez, World Food Prize-winner, and Jeffery Sachs, the design of the subsidy
program for Malawi, which was experiencing the worst drought in its history. Despite massive
doubts, the government bought into the plan and the subsidy program was rolled out. Donors lined
up, after the initial hoopla. It was a huge success. Within three months, Malawi became food self-
sufficient, produced more food than it needed and exported 400,000 metric tons of maize to
Zimbabwe.

A few years later, I faced a similar situation in Kenya in 2007, while working at AGRA. I noticed
that 2.5 million poor farmers were food insecure and had no access to farm inputs to produce.
Convinced we could solve the problem, I got a plan developed, but had to convince donors. Donors
did not buy into it, due to the usual bias against subsidies. In my meetings later with the Minister
of Agriculture and the Permanent Secretary of Agriculture, they bought into the program, so the
“Kilimo Plus” program was launched, which successfully boosted access to farm inputs to over one
million farmers nationwide.

Once again, we demonstrated that when pragmatic farmer-centric policies meet with right
political leadership, and a dedicated administrator, things happen.
Technologies exist to feed Africa. The challenge is to get them into the hands of millions of farmers. That was the situation with tissue culture bananas. With huge potential to yield over 40 tons per hectare, compared to about 15 tons farmers were getting, it was stuck, as one single plantlet cost $1.50, way above the daily earnings of many farmers. A solution had to be found. With support of the Rockefeller Foundation, I was allowed to use a $500,000 grant from the Foundation to support a rural bank in Uganda to agree to lend to these farmers, as an experiment. The deal was simple: they would lend the Foundation’s funds on condition that if farmers repaid, the Bank would commit one million of its own monies the following year. It worked! Over a 4-year period, the total loss was just $4,500.

A point was demonstrated: the main reason banks don’t lend to farmers was perceived risks of loss, and not real risks. I got to know several years later the bank had lent some $20 million of its own monies. Tissue culture bananas spread rapidly across Kenya and other East African countries.

I was determined we had to tackle the challenge of banks not lending to agriculture in Africa, so I led efforts to design and scale up the de-risking of commercial banks across several African countries. Using risk-sharing facilities in Kenya, Ghana, Mozambique and Uganda, we leveraged $100 million from Africa’s largest commercial bank, Standard Bank, as well as $50 million for farmers from the Equity Bank in Kenya.

I took these lessons to scale in Africa’s largest economy, Nigeria, and helped design the NIRSAL facility in Nigeria, to de-risk all commercial banks in the country to lend to the agriculture sector. We successfully set up a $350-million risk-sharing facility with the Central Bank of Nigeria, which helped to leverage $3.5 billion in lending towards the agriculture sector, with a repayment rate of 99%. Today, NIRSAL is a stand-alone non-bank financial institution. The model is being scaled up by the African Development Bank with the goal of reaching 30 countries with similar models.

But no matter what we do, unless we tackle corruption, policies will fail to impact farmers. When I became Minister of Agriculture in Nigeria, my goal was to ensure that farmers were at the centre of all public policies. I met in place a 40-year-old government-driven procurement system that was heavily corrupt. Only 11% of the fertilizers bought and sold by government ever got to farmers! Tackling this monumental level of corruption required disruptive innovation! So I turned to the power of mobile phones. Using cellphones, we digitally registered farmers and sent them vouchers directly, which they used to purchase farm inputs from the private sector. The public procurement system was dismantled within 90 days. We restored transparency, probity and accountability to public policy. A new dawn had begun for farmers.

Within four years, the electronic wallet system allowed over 15 million farmers (including 2.5 million women farmers) to purchase farm inputs and led to rapid expansion of mobile phone companies into rural areas. The percentage of farmers who received farm inputs rose to 94%, compared to 11% under the government procurement system. The impact was massive: food production rose by an additional 21 million metric tons, benefitting some 75 million people. There was joy everywhere for farmers. As one of them told me, “Our dignity was restored.”

We could not have succeeded in this without the remarkable and unwavering support by then President Goodluck Jonathan. To succeed in radical policy reforms there must be strong political backing. What we did required rocking the boat and the President stood with us all the way. So, President Jonathan, I say thank you so much for your bold support, without which we would not have achieved this success.
Today, the electronic wallet system has gone global, as far as Afghanistan where the government and the World Bank are using it to reach one million farmers this year alone. The African Development Bank is currently scaling up the electronic wallet system to 30 African countries.

We stand at a crucial moment to tap into technologies, innovations, youth populations, and a rising need to diversify African economies in order to launch our biggest effort to fully unlock the potential of African agriculture. So, we know what works; what we’ve got to do is scale up these and many other successful experiences across Africa.

That’s why the African Development Bank has committed to investing $24 billion in agriculture over the next ten years. And we’ve already started with concrete investments. The African Development Bank, AGRA, Bill and Melinda Gates Foundation and the World Bank are developing an exciting initiative – Technologies for African Agricultural Transformation, also known as TAAT – to mobilize about $1 billion to drive scaling up of agricultural technologies across Africa. Our goal is to “take technologies to the farmers.” Just like Norman Borlaug asked us to score more goals for agriculture in Africa. Our goal is to reach 150 million farmers, while building private sector value chains to create markets pull for farmers.

We will tackle the challenge of malnutrition in Africa. That’s why the African Development Bank – working with Bill and Melinda Gates Foundation, Dangote Foundation, Big Win Philanthropy and the Global Panel on Food Systems and Nutrition – has launched African Leaders for Nutrition, to help bring political accountability to address the issue of malnutrition and stunting in Africa. Our goal is to help build grey matter infrastructure in Africa and end stunting, which currently affects some 54 million children. We will focus sharply on helping to scale up bio-fortified crops across the continent to address malnutrition.

For Africa to ramp up its capacity to help contribute to feeding the world, we need urgent action on unlocking the vast potential of the African savannas. With an estimated area of 600 million hectares, of which 400 million hectares is cultivatable, the savannas of Africa remain the world’s largest underutilized agricultural zone. Less than 10% of the savannas are under cultivation. Yet, the savannas helped Brazil to dominate the global food supply in soybean, maize and dairy; and the savannas helped northeast Thailand to become the largest exporter of rice and cassava globally. To feed Africa and put Africa in a good position to help in feeding the world, the African Development Bank is launching the Transformation of African Savannah Initiative (TASI), in partnership with Brazil, Japan, the World Bank and other partners.

We will also invest differently in infrastructure. To optimize infrastructure investments in rural areas, governments should create “staple crop and agro-allied industrial zones.” These will be special economic zones, devoted to agriculture, where heavy investments will be made in infrastructure (power, water, roads). Special tax incentives should be given to private sector agribusiness firms, and food processing industries to locate in these zones. They, in turn, will offer huge and speedier farmer access to markets; and enable farmers to process food and agriculture commodities close to zones of production; and transport processed and finished products out of the zones using enabling infrastructure and logistics. These zones will help change the face of rural Africa, from “zones of economic misery” to “zones of economic prosperity” – in exactly the same way industrial zones did for China. The African Development Bank will spearhead the establishment of these staple crop and agro-industrial processing zones.

The African Development Bank is accelerating investments to get younger commercial farmers and agribusiness entrepreneurs into agriculture. To succeed with its agriculture, Africa needs younger and educated people in the sector. They will take agriculture as a business. They will make
agriculture “cool.” I fully expect the future millionaires and billionaires of Africa to come from agriculture. To spur this, the African Development Bank has launched a youth in agriculture initiative – ENABLE – to develop the next generation of agripreneurs for Africa. In 2016, we invested $800 million in this initiative for eight countries. In 2017, we will reach 15 countries. Over the next 10 years, the Bank will invest $15 billion to develop new youth agriculture entrepreneurs.

We will empower women and achieve greater access to finance for women. No bird can fly with one wing. Africa will move faster if it achieves equality for women in terms of access to land, property rights and finance. That’s why the African Development Bank has launched Affirmative Finance Action for Women in Africa (AFAWA) to help mobilize $3 billion for businesses of women in Africa, the majority of whom will be in rural areas, engaged in agriculture and food businesses.

I am fully convinced that working on all these areas will help to lift millions out of poverty in Africa into wealth.

But as we do, we must pay special attention to the devastating effects of climate change, with droughts in Africa and severe floods and hurricanes buffeting many parts of the United States of America. My heart goes out to families and people in all these areas, including in the Caribbean islands. For Africa, the African Development Bank has launched $1.1 billion to support countries and to push for climate adaptation funds. We must also quickly address the rising challenge from the swarm of fall armyworms.

There are huge opportunities, and I am confident we will overcome the challenges. The World Food Prize also brings much-needed wind behind our sails as we launch out on this big push for agriculture in Africa.

And we are not alone. Others have gone before me, on whose achievements we are building new alliances and partnerships, to do more, together.

So many people helped me to get here. My lovely wife, Grace, my sons Rotimi and Segun, my parents, my wife’s parents and my entire family. My teachers from high school and University of Ife. I say thank you to my great professors, Phil Abbott, John Sanders, Gebisa Ejeta, John Axtell, John Connors, and all that gave me a world-class education at Purdue University. And I am delighted that the Dean of Agriculture, Jay Akridge and President of Purdue University, Mitchel Daniels, are here to give me the Boiler Maker support.

I say thank you to my several colleagues at the Rockefeller Foundation, including Gordon Conway, the President who hired me; and my directors and mentors, Bob Herdt, Gary Toenniessen, Joyce Moock and Peter Matlon. I say thank you to all my colleagues from the CGIAR centres from whom I learnt so much, especially those I worked with at WARDA, IITA and ICRISAT.

I say thank you to Mr. Kofi Annan and all my colleagues at AGRA, who strongly supported my work.

None of these would have been possible without the amazing support of Nigerian farmers, my able staff at the Federal Ministry of Agriculture and Rural Development in Nigeria, especially my Permanent Secretary, Mr. Echono and all the staff and colleagues who worked on the Agricultural Transformation Agenda (ATA).
Many thanks to the farmers of Africa, from whom I learnt so much and from whom I got such inspiration.

I stood on big shoulders to get here. President Goodluck Jonathan took me as his Minister, President Olusegun Obasanjo nominated me to him to be a Minister and President Muhammadu Buhari also supported my candidacy to be President of the African Development Bank. To them, I owe immense gratitude – I say thank you.

I specially thank Ambassador Quinn – a man of impeccable honour – who has continued to inspire and encourage me; Professor Swaminathan; the World Food Prize Board, for awarding me this cherished award, and all the wonderful staff of the World Food Prize Foundation for doing an incredible job organizing this fantastic event!

Last night I had the privilege of donating my World Food Prize award of $250,000 (that is, a quarter of a million dollars) to set up a fund fully dedicated to providing grants, fellowships and financing for the youth of Africa in agriculture as a business.

Today, I am honored to announce that a portion of my World Food Prize award will be used to support the work of the World Food Prize Youth Institute–Africa.

The World Food Prize Institute–Africa will support young agripreneurs who we will call Borlaug-Adesina Fellows. This will allow us to strategically continue Dr Borlaug’s legacy of taking agricultural technologies to the farmers, and my philosophy of promoting and engaging agriculture as a business.

The Youth of Africa are the future of the continent and to them I pledge my support.

Just like Elijah in the Bible thought he was alone, until God spoke to him, and told him that there is an army of others, who feel exactly the way that he felt, so I feel today. As I look all around this hall, I feel the same passion. I sense the same determination. I see an army of partners willing and able to help score more goals for African agriculture. Together, we will. And certainly, Norman Borlaug will be delighted that the “gospel of agriculture as a business” finally helped to end poverty in Africa. In this journey and endeavour, so help us God.

Thank you very much.