INVESTING IN THE AGRICULTURE SECTOR IN MOZAMBIQUE

by

José Pacheco

Minister of Agriculture
Mozambique: Facts in a Glance

- **Population**: 21.8 million
- **Total land area**: 799.380Km²
- **Arable land**: 36 million ha
- **Land under irrigation**: 62,000 ha = 3% of potential land
- **Agriculture contribution into GDP**: 23.4% (2009)
- **Agriculture contribution to exports**: 20%

- Agro-ecological conditions suitable for food, feed & fiber production
The Comparative Advantage on Agribusiness in Mozambique

1. **Agro-climatic conditions** allow a broad and diverse range of agricultural production;
2. Advantageous **geographical position** as natural gateway to Southern African countries;
3. **Political stability**
4. **Safety and security** is a comparative advantage. Global Peace Index: Mozambique is 2\textsuperscript{nd} in southern Africa and 3\textsuperscript{rd} in Africa
5. Competitive cost of **labor force**;
6. **Linkages** opportunities with ongoing **large scale projects** initiatives, such as mines, energy and forestry;
7. **Infrastructure** under massive development: Ports and railways, Airports, Roads and bridges, Water, Electricity.
Land Tenure

- Land is a State owned asset and may not be sold, mortgaged and pledged;

- Investment applied on land (infrastructure, crops and other facilities) may be valued, negotiated or transferred;

- Maximum length of a concession is 50 years, renewable for further 50 years

- Annual Fee (per hectare):
  - Livestock farming MZM 5.00
  - Permanent crops MZM 5.00
  - Agriculture MZM 37.50
  - Other activities MZM 500.00

(Exchange rate: £1 ~ MZM 55.50)
## UK – Mozambique Agribusiness Investment Priority Portfolio

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Area of Investment</th>
<th>Type of Investment</th>
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<tbody>
<tr>
<td>Beira Agriculture Growth Corridor</td>
<td>Sugar cane, Fruits, vegetables and potatoes, Livestock (goats and poultry)</td>
<td>Silos, Agroindustry + Contract Farming</td>
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<tr>
<td>Nacala Agriculture Growth Corridor</td>
<td>Fruits, vegetables and grains, Soybeans, Sesame seed, Tea, Livestock (beef cattle, goats and poultry)</td>
<td>Irrigation, Agroindustry + Contract farming and farming equipment</td>
</tr>
<tr>
<td>Limpopo Agriculture Growth Corridor</td>
<td>Grains, Rice, Fruits, vegetables and potatoes, Livestock (beef cattle and poultry)</td>
<td>Agro industry + Contract farming and farming equipment</td>
</tr>
</tbody>
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Main Commodities

- **Food products:**
  - Maize
  - Cassava
  - Rice
  - Wheat
  - Fruits and Vegetables
  - Meat, dairy products and poultry

- **Cash Products**
  - Cashew nuts
  - Tea
  - Pulses
  - Hard wood
  - sugar
  - Coconut
  - Cotton
UK – MOZAMBIQUE AGRIBUSINESS

- Beira, Nacala and Limpopo corridor regions of south eastern Africa can become a world class agricultural producer.
- Capital is needed to unlock the potential. It is used to finance "agriculture-supporting" infrastructure, especially irrigation, and make it available to farmers at affordable cost.
- The result:
  - vastly improved yields, lower costs and the ability for farmers to compete in domestic, regional and global markets
Proposed Partnership for food security

- **Agriculture Technology Program:**
  - To support scientists to develop improved crop varieties and developing new local seed industry

- **Conservation Agriculture Program:**
  - Supporting expanded use of vegetables, agro-forestry and conservation agriculture

- **Agrodealers development Program:**
  - Building on the successful program of developing agrodealers networks to scale up agrodealers across rural areas.
Proposed Partnership for food security

- Fertilizer production program
  - Making advantage of the available mineral resource development
- Agriculture Risk Management Program:
  - Weather-index insurance development
  - Irrigation Infrastructure
- National Accelerated Agricultural Input Access Program (NAAIAP)
See you in Mozambique and Thank you!