



UK-MOZAMBIQUE INVESTMENT FORUM

2010

**INVESTING IN THE
AGRICULTURE SECTOR IN
MOZAMBIQUE**

by

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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 2nd in southern Africa and 3rd 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

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- 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

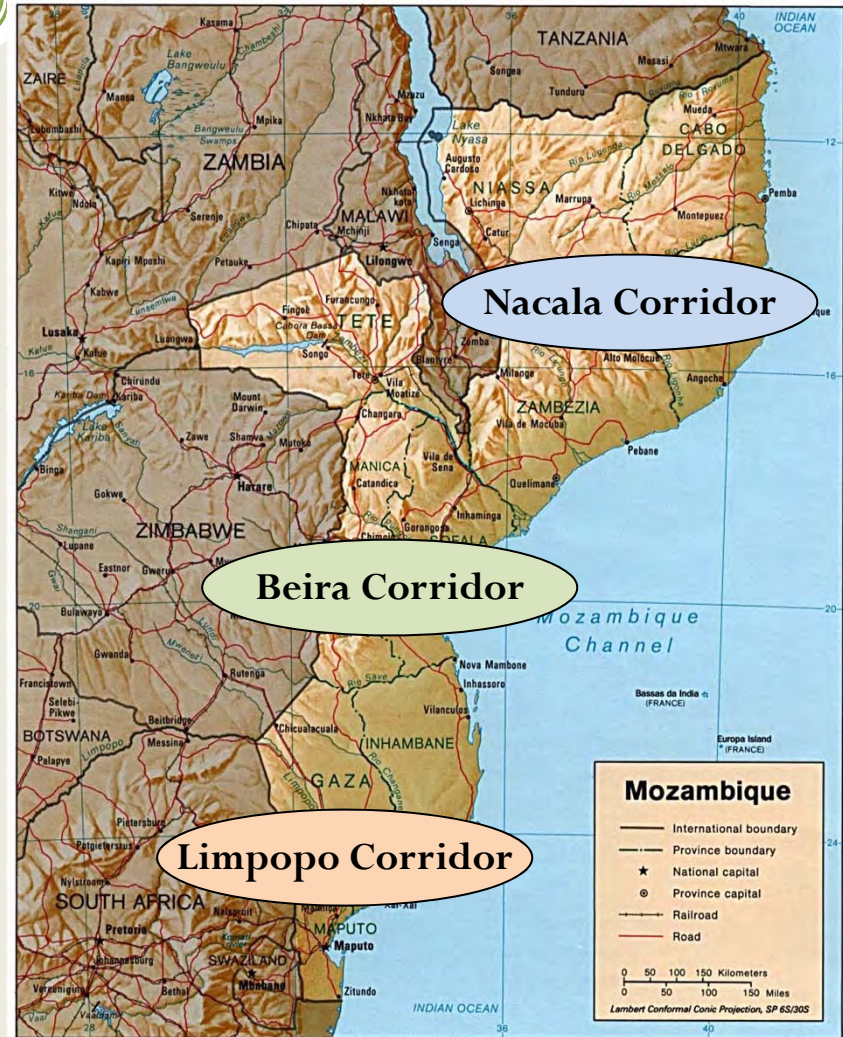
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Innitiative	Area of Investment	Type of Investment
Beira Agriculture Growth Corridor ,	Sugar cane, Fruits , vegetables and potatoes Livestock (goats and poultry)	Silos, Agroindustry + Contract Farming
Nacala Agriculture Growth Corridor	Fruits , vegetables and grains, Soybeans, Sesame seed, Tea Livestock (beef cattle, goats and poultry)	Irrigation, Agroindustry + Contract farming and farming equipment
Limpopo Agriculture Growth Corridor	Grains, Rice , Fruits , vegetables and potatoes Livestock (beef cattle and poultry)	Agro industry + Contract farming and farming equipment

Main Commodities

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- **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



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- 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

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

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- 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!**