



PRESS RELEASE

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Farming on Big Wheels: What can Africa and Asia learn from each other?

18 June 2014, BEIJING, CHINA--A two-day international gathering has begun that centers on agricultural mechanization in Asia and Africa amid urbanization and economic growth.

Today and tomorrow, researchers, policymakers, and private sector representatives from both continents will share lessons and experiences at the workshop "Mechanization and Agricultural Transformation in Asia and Africa." The International Food Policy Research Institute (IFPRI) and the National School of Development at Peking University (NSD) co-organized the event, which serves as an important opportunity for south-south learning by providing a platform for scholars and practitioners to exchange ideas and best practice.

"The workshop will allow participants to learn from others to address common challenges, such as rising urbanization and rural labor wages," said Xinshen Diao, Deputy Director of the Development Strategy and Governance Division at IFPRI. "We hope to gain new insights into the development of agricultural mechanization in different contexts defined by crop specificity, agro-ecological conditions, operations, domestic manufacturing capacity and wider economic growth."

Participants at the workshop will share their own country experiences and case studies, and discuss how to establish a sustainable supply system within the local context. Country case studies will showcase areas where mechanization development has been successful, but also where it has been less effective.

A particular focus will be on the role of the private sector in supporting sustainable agricultural mechanization development for countries in which small-scale farmers dominate. According to a recent <u>IFPRI study</u>, African countries are increasingly importing agricultural machinery from Asia, while many Asian countries have established private supply chains of their own. Experiences from Bangladesh, China, and India suggest that encouraging private-sector competition in machinery imports could create a vibrant environment for agricultural mechanization services.

The government of Ghana has been supporting mechanization through the establishment of subsidized agricultural mechanization service enterprise centers, but the study shows that government-subsided service centers are not profitable, given that tractors are underused and the machines frequently break down due to poor maintenance, lack of skilled operators, and weak operator incentives.





A <u>study</u> about China shows that the most power-intensive stages of agricultural production, such as land preparation and harvesting, have been increasingly outsourced to special service providers, which can explain increased agricultural growth in spite of small farm size, high land fragmentation, and rising labor cost.

Mechanization is an emerging issue due to:

- Rising urbanization and rural labor wages in Africa and Asia, which are affecting agricultural production systems;
- A fully liberalized agricultural machinery international market and supportive policy adopted by many developing countries in Asia and Africa to encourage the private sector's leading role in the supply chain development; and
- Low cost agricultural machinery manufactured by emerging economies, particularly China, India and Brazil, which are increasingly exported to Asian and African countries in the last 10 years.

The workshop is part of efforts to rejuvenate the debate on mechanization and agricultural transformation. The cross-country research initiative on agricultural mechanization is led by IFPRI, via the CGIAR Research Program on Policies, Institutions, and Markets (<u>PIM</u>).

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The International Food Policy Research Institute (IFPRI) seeks sustainable solutions for ending hunger and poverty. IFPRI was established in 1975 to identify and analyze alternative national and international strategies and policies for meeting the food needs of the developing world, with particular emphasis on low-income countries and on the poorer groups in those countries. www.ifpri.org

The National School of Development at Peking University - a scientific research and educational institution focusing on the comprehensive study of social sciences - has recently been established, based on the prestigious China Center for Economic Research at Peking University (CCER). This new organization is committed to the internationalization, standardization and localization of the study of the social sciences in China, and to the innovation in disciplinary systems, academic perspectives and research methods.