

Promotion of Agricultural Mechanization in Rice-based system, SSA

03 May 2012



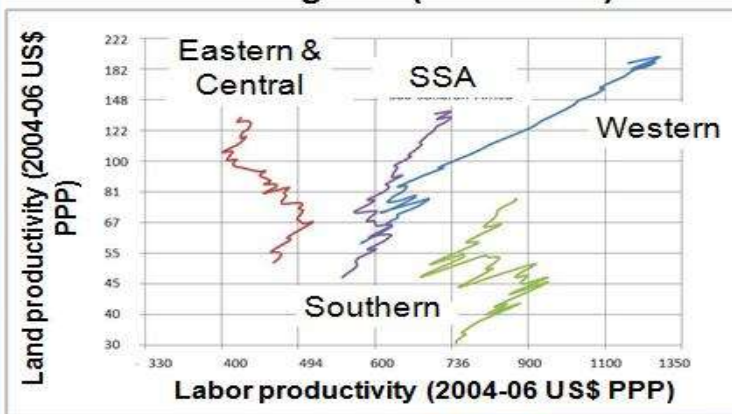
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Reference: Sam Benin, 3 May 2012: ReSAKSS Progress Report, The CAADP 8th PP MEETING

CAADP

Land and labor productivity in SSA and sub-regions (1961-2009)

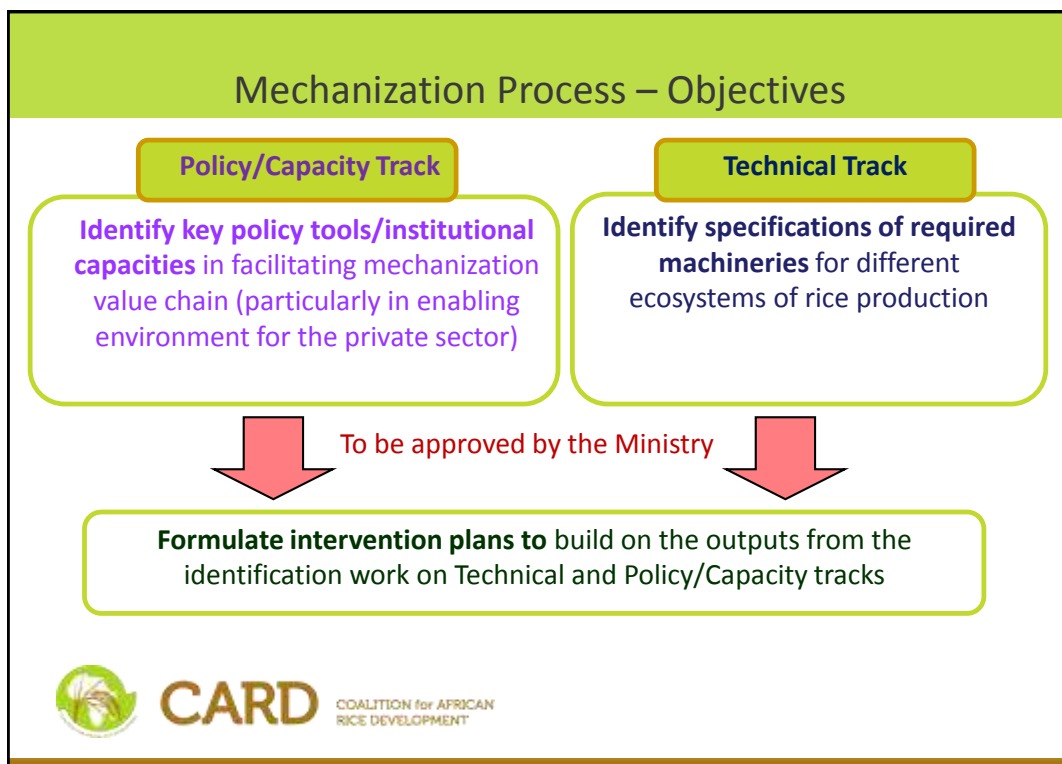
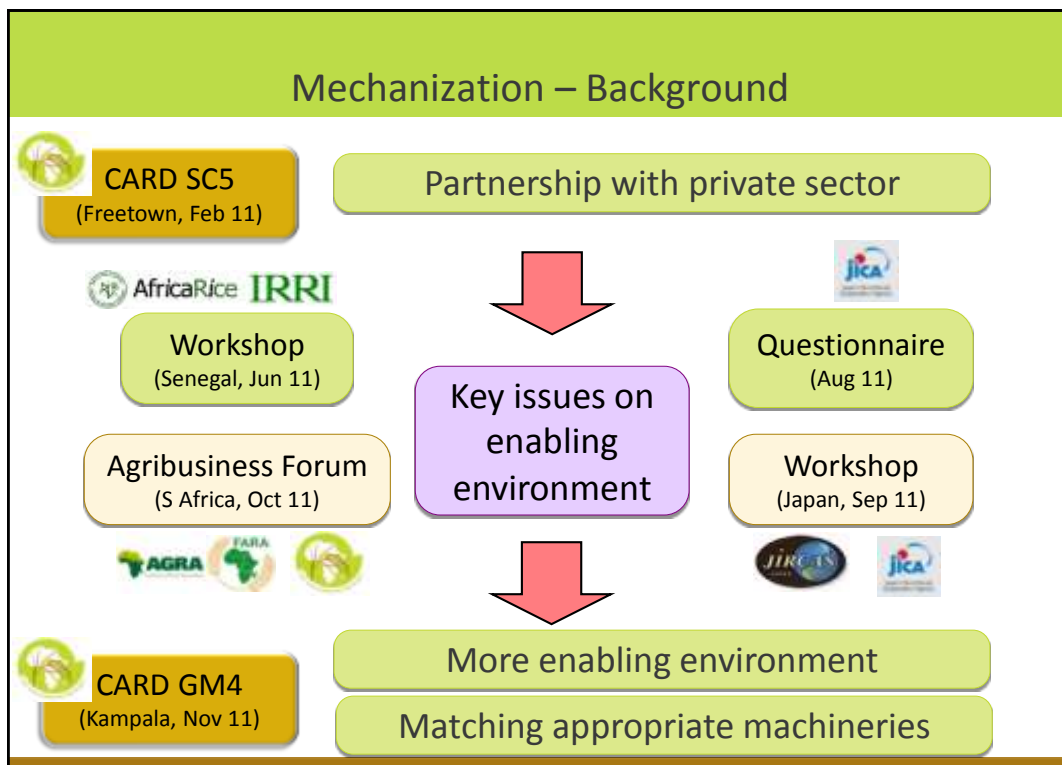


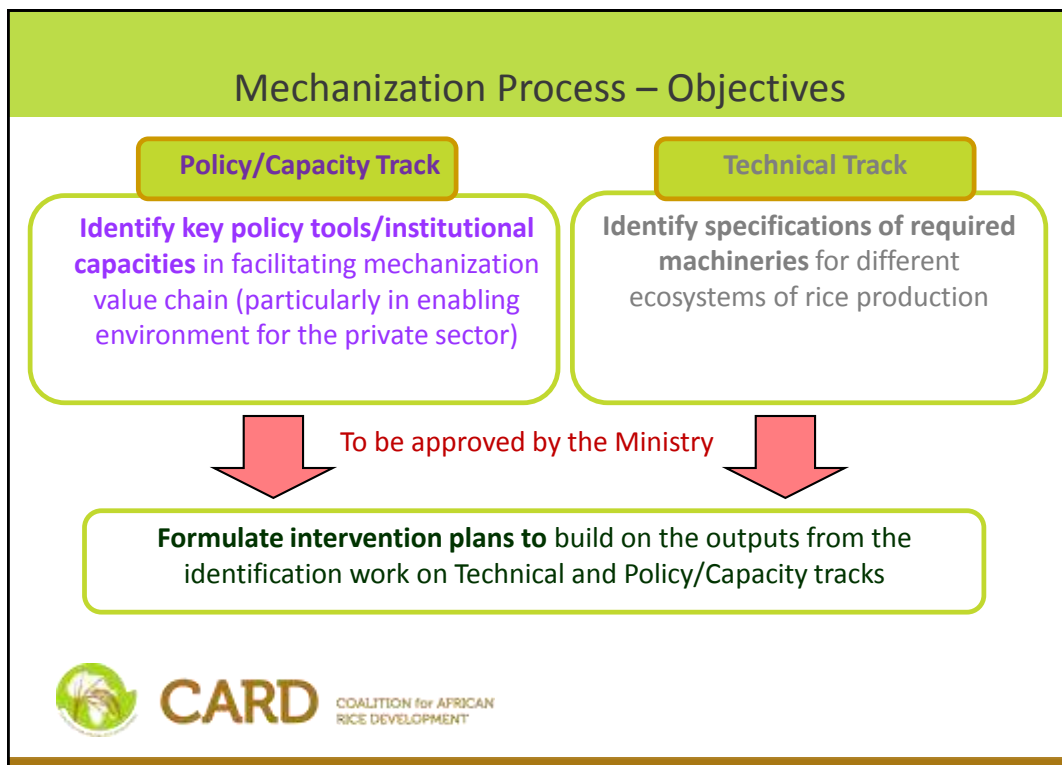
PARTNERSHIP IN SUPPORT OF CAADP



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Policy Track (1): Enabling environment for private sector

- Prepare a list of the full stakeholders in the mechanization value chain in the country as well as the list of policy
- Draft one-page fact sheet for each policy tool (intervention)
- Generate a list of people to interview (policy makers, administrators, private stakeholders, farmer organizations) in the second Phase
- Develop policy tools that will engage and promote private sector

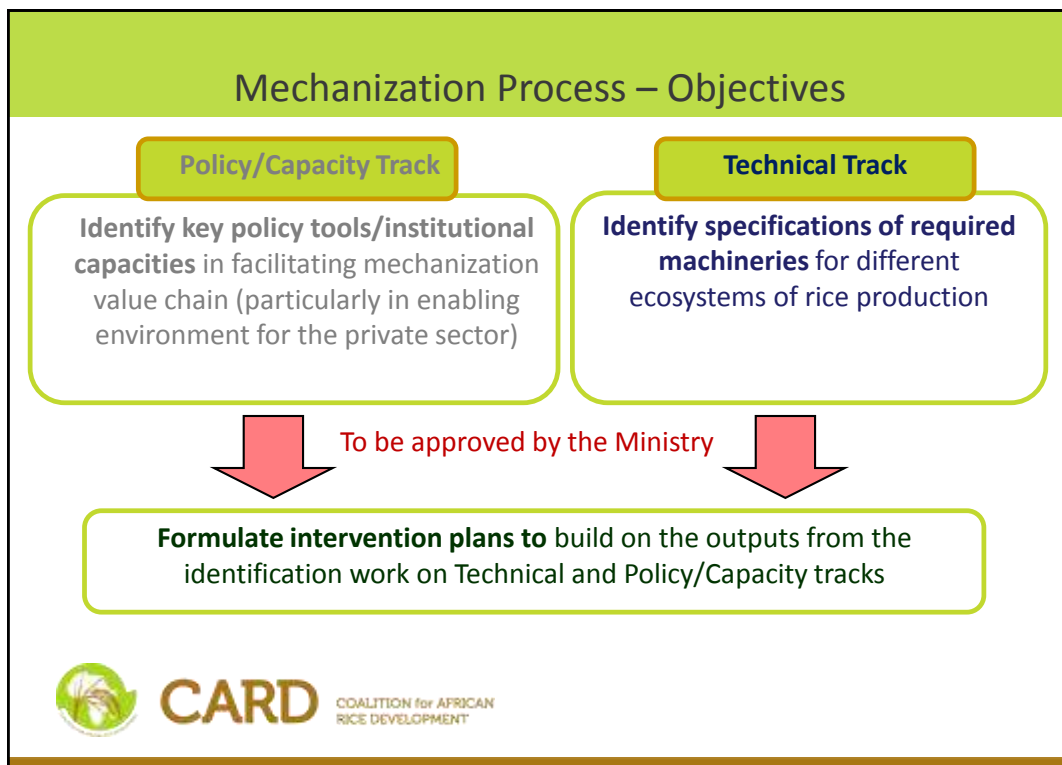


Policy/Capacity Track (1): Policy Tools & Related Actions			
For whom?	Objective	Tool	Action
- International manufacturers - Domestic manufacturers - Machine operators	To ensure safety and quality of the machineries suit the local situation	<ul style="list-style-type: none"> •Test & evaluation, safety inspection and certification of quality of machinery (MOA) •Appropriation & standardization of machineries imported / locally produced (MOI) 	<ul style="list-style-type: none"> •Disseminate measures on test and evaluation plus certification & standards
- International manufacturers - Importing agents	To make imported machineries / spare parts more affordable	<ul style="list-style-type: none"> •Reduced import tariffs & VAT for machinery and spare parts that cannot be produced locally (MOF) 	<ul style="list-style-type: none"> •Lobbying at parliament level in order to approve law modification on tariff reduction for international manufacturer
...

Policy Track (2): Engagement with dealers & service providers

- Clarify the capacity requirements to be a 'good dealer' – technical capacity, general business skills, i.e. accounting, logistic arrangements, after-sales services, and other good business conduct
- Identify capacity development activities of the dealers
- Listing of policy tools (interventions) for dealers (such as introduction of after-sales service norms, customs clearance, government's guarantee for dealers' quality of business, introduction of association of good dealerships eligible for finance / banking services)





- ### Technical Track (1): Institutional Capacities
- List machineries/implements/parts that may be manufactured domestically in 3 years, 10 years, and beyond 10 years
 - Draft strategies for the private local manufacturers:
 - a) Capacity assessment & development – engineering & business skills, training opportunities
 - b) Infrastructure development (public goods)
 - c) Policy tools (interventions)
 - d) Drivers for change
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Technical Track (2): Testing & Certification of machineries

- List recommended testing items which can be conducted domestically in: 3 years; 10 years, and beyond 10 years
- Draft detailed road maps for the following interventions:
 - a) Improvement of existing organizational structures, or if impossible, launching new organizations
 - b) Development of required minimum facilities under different time frames
 - c) Recruitment of appropriate human resources and provision of training
 - d) Linkage with international organizations



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Technical Track (3'): Decision making tools

- Identifying mechanization options under the different ecosystems for each country
- Matching the equipment with field operations
 - What is the size of the land owned by an individual farmer or a farmer group?
 - What is the demand by the nearby farmers of machinery services?
 - Cost efficiency of implements and machineries for the field operations
 - Size of the piece of land prevailing in the target area and the existence of the approach for large machineries



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Technical Track (3'): Decision making tools

Operating Cost

- Repair
 - spare parts
 - labor
- Maintenance: (e.g.) 10kW
- Fuel cost: 1.2 \$/L
- Driver
- Assisting labor: 1\$/hr
- Total Operating cost: 7.5\$/hr

Fixed cost

- Depreciation: 3.5\$/hr
- Housing: 0.15\$/hr
- Interest: 15%
- Insurance: 2.33\$/hr
- Total Fixed cost =5.98\$/hr

Total Cost

- Total Cost=11.15\$/hr
- Cost/Ha=44.60\$/ha
- Margin: 10% (return to management)
- Contract Rate=49.06\$/ha

Policy on reducing costs (import tariff/surcharge/VAT /fuel/interest/ insurance/etc)

Technical Track (4): Maintenance support

- Mapping existing capacities of rural repair facilities (such as mechanics, local artisans and machine operators and other existing agriculture services)
- Identify activities required to improve the capacity (or desire to do business) of the dealers
- Identify capacity development actions, including vocational / educational programs (diploma / certificate courses)

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Thank you
Merci beaucoup



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