

**A working paper on
The Sudanese Agricultural Bank's role in attaining food self-
sufficiency**

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Executive Summary

- Sudan commands huge agricultural resources:
 - ~ 84 million hectare of cultivable, fertile land.
 - ~ 21 milliard cubic meter of river water, and huge quantities of rain and underground water.
 - ~ 138 million head of livestock, vast areas of natural pastureland, and 120 million feddan of forests.

By virtue of these resources Sudan was able to achieve self-sufficiency in most of plant food items, such as sorghum, millet, maize, vegetables, fruits, oily grains, sugar, red meat, white meat, and dairy products. There is a basic deficiency in wheat. Wheat production in 2006 was 750,000 tons, while consumption amounted to about one million tons. There is a secondary deficiency in rice which is being dealt with at present.

■ The Agricultural Bank serves as the State's main arm for providing agricultural credit to the agricultural sector and its workers, with the goal of bringing about agricultural and rural development. The Bank was launched in 1959, and it provides the following services:

- ~ Short-term advances, for providing inputs and seasonal operational needs (18 months).
 - ~ middle-term advances, for acquiring the basic constructional necessities for projects, agricultural machines, equipment and capital production commodities (five years).
 - ~ Long-term advances, for land reclamation and constructional requirements for irrigation and storage for big projects (10 years).
- The Government embraced the five-year (2007 -- 2011) plan, aiming at developing and promoting the agricultural sector. The most important objective of the plan is achieving food security. The Government adopted a package of macro and sectoral policies that support the achievement of goals of the five-year plan in the fields of institutional reform, reform of legal frameworks, production, investment, research, education, capacity building, guidance, transfer of technology, environment protection, natural resources, and rural financial services.
- The most important factor on which the five-year plan rest, as far as food security is concerned, is concentration on the production of wheat which has become the main staple and whose consumption has been increasing at a rate higher than that of the population growth.
- The Agricultural Bank is seen as one of the main supporters of food security in Sudan, in view of its participation in modernization of irrigation methods, introduction of agricultural mechanization, modernization of traditional agriculture, development of livestock production methods, participation in the marketing of crops through the Bank's

storage capacity (500,000 tons) which is the largest in the country, financing the food security projects around the large cities, promotion of horticultural-plant-livestock farms, participation in poverty combating projects by financing productive families and the poor through the micro finance projects, providing finance to income-generating rural professions, and implementation of Government's policies that are supportive of the increase in the production of the chief food crops.

■ Regarding the five-year (2007 – 2011) plan, the national wheat project constitutes the most important prop of the plan that aims at achieving food security. The important feature of the project are:

- 1) Focusing on areas that have relative climate advantage.
- 2) Encouraging the private sector to make big investments.
- 3) Providing infrastructure that shores up production.
- 4) Providing the best wheat production techniques.
- 5) Subsidizing wheat production inputs.
- 6) Providing finance at subsidized profit margins.
- 7) A motivating market policy.
- 8) Building up capacities and training.

The Bank plays a key role in:

- 1) Importing and providing all machines and equipment which the project needs for farming operations.
- 2) Providing all production inputs at subsidized prices, including:
 - a) Petroleum fuel.
 - b) Seeds.
 - c) Azotemic (nitrogenous) and phosphoric fertilizer.
 - d) Containers.
- 3) In-kind and cash financing at subsidized profit margin (3% rather than 10% per year).
- 4) Marketing the crops at prices that motivate the farmers, through marketing portfolios and grain mills.
- 5) Through this program, Sudan is expected to achieve wheat self-sufficiency by the end of the five-plan (2011), when it will be producing more than two million tons.