





COMMITMENT FOUR

RURAL DEVELOPMENT AND A GREEN REVOLUTION

Dynamic rural development and real poverty alleviation is at the core of the government's endeavors. Our rural areas will flourish and prosper through a green revolution that will substantially increase agricultural production. Agri-business centers will be established in every region to assist in training and the provision of farming resources such as irrigation, seeds, fertilizer and storage facilities.

To further support rapid rural development, better roads and communication networks will be established and the Government will work to create conditions that encourage entrepreneurial activity and allow private sector initiatives to flourish.

CHALLENGE 1 > SECURE LAND TENURE

Current Reality

Over the last century, 330,000 titles have been issued. The delivering rhythm is 1,000 per year. As of 2006, 10 percent of the national territory was legally occupied with title or certificates. In 2005, the Government launched the National Land Tenure Program including the facilitation of land tenure transaction and the setting up of 21 land tenure offices (one stop shop) till December 2006. However, to allow strong motivation of private actors in production, the spatial coverage of land titling and the title delivering rhythm need to be substantially enhanced. The current legal system does not meet the requirements of neither peasants nor large scale agricultural investment.

Goals

The land tenure system will be responsibly employed for the following roles/objectives: social objective, economic objective, ecological objective. The land tenure system will actively encourage private initiative in production, for small as well as large scale actors. All land owners will feel secure, in rural as well as urban areas.

Strategies

1. Modernize and computerize the land property and topographic records.
2. Decentralize land property management at commune (region) level.
3. Reform the legal framework.
4. Strengthen the capacity of the staff of land tenure services.
5. Create land bank for investments in tourism, agribusiness and manufacturing.
6. Harmonize the intervention of development partners in the National Land Tenure Policy.

PRIORITY PROJECTS AND ACTIVITIES

PROJECT LEADER

1. Make an inventory, restore, and digitize land property documents	Minister responsible for Land Tenure
2. Computerize the records	Minister responsible for Land Tenure
3. Set up standard services/Unique Offices and Land Property Offices	Minister responsible for Land Tenure
4. Purchase satellite imaging	Minister responsible for Land Tenure
5. Set up a Land Occupation Plan	Minister responsible for Land Tenure
6. Update legal texts and carry out campaign of popularization	Minister responsible for Land Tenure
7. Develop land property certificates to allow their allocation in guarantee	Minister responsible for Land Tenure
8. Promote the profession of Independent Sworn Land Surveyors	Minister responsible for Land Tenure

INDICATORS

2005

2012

Percentage of farmers having land titles or certificates	10%	75%
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CHALLENGE 2 > IMPROVE ACCESS TO AFFORDABLE RURAL FINANCING

Current Reality

The banking system is extremely limited in rural areas. To address the need, microfinance institutions have established some rural offices. As of 2006, seven (07) authorized microfinance institutions are operating, along with other on-the-field running initiatives. It emerges from the present situation that the access to credit remains limited although the rate of penetration has markedly improved over the years (from 3% in 2005 to 6% in 2005). This is closely linked to the high interest rates and excessive guarantees from the financial institutions.

Goals

Financing methods in rural areas, at accessible rates, will enable the financing of investments in the medium and long term allotted to the development of activities of rural operators. Poor and low-income households will have the opportunity to access credit at lower cost so as to allow them to undertake income-generating activities.

Strategies

1. Extend the networks of microfinance and banking institutions.
2. Promote and adapt the system of credit with joint guarantee.
3. Support alternative forms of financing.

PRIORITY PROJECTS AND ACTIVITIES	PROJECT LEADER
1. Promote the obtaining of approval from the Commission of Bank and Financial Supervision	Minister responsible for Finance
2. Support the extension in new areas	Minister responsible for Finance
3. Ensure the refinancing of microfinance institutions	Minister responsible for Finance
4. Set up an Agricultural Development Fund	Minister responsible for Finance

INDICATORS	2005	2012
Rate of penetration of financial institutions	6%	13%



CHALLENGE 3 >

LAUNCH A SUSTAINABLE GREEN REVOLUTION

Current Reality

At present, projects for small scale agricultural mechanization, like plows and motor cultivators, and improved technical itineraries, such as an intensive rice-growing system, have been undertaken. In 2005, rice production rose to 3,420,000 tons, that is an increase of 15% compared to the level of 2004. However, Malagasy agriculture is characterized by its low productivity with average yields of around 2 tons per hectare. The problem lies in the low utilization of fertilizers and improved seeds as well as in the poor performance of agricultural equipment.

Goals

Agricultural mechanization will be expanded and new agricultural techniques will be implemented. Substantial increase of both production and productivity will ensure food security and release surplus for export. The green revolution will improve non productive lands in rural areas and improve income levels.

Strategies

1. Intensification and improvement of productivity.
2. Extension and increase of cultivated surfaces.
3. Provision and assistance with seed and fertilizer.



PRIORITY PROJECTS AND ACTIVITIES	PROJECT LEADER	
1. Develop, rehabilitate and maintain hydroagricultural networks	Minister responsible for Agriculture	
2. Ensure fertilizers, seeds and equipment are available to dramatically increase yields for food self-sufficiency and surplus for market	Minister responsible for Agriculture	
3. Reform and modernize agricultural practices through training and education and knowledge of world best practice	Minister responsible for Agriculture	
4. Promote cooperatives for the use of agricultural equipments	Minister responsible for Agriculture	
5. Identify and exploit new zones of farming	Minister responsible for Agriculture	
6. Promote agricultural mechanization and industrialization	Minister responsible for Agriculture	
7. Integrate environmental dimensions and land clearing stabilization	Minister responsible for Agriculture	
8. Encourage crop rotation and crop diversification	Minister responsible for Agriculture	

INDICATORS	2005	2012
Rice production	3,420,000	7,000,000
Productivity (average tonnage yield per ha)	1.8 to 2.57	3 to 5

CHALLENGE 4 > PROMOTE MARKET ORIENTED ACTIVITIES

Current Reality

The main factors that impede the development of market oriented production in rural areas lie in the fact that infrastructures and channels for the transmission of market signals to producers are inadequate. Some initiatives have been taken by the public as well as the private sector, like the building of market places and the institution of the Rice Observatory Platform. To date, activities relating to the agricultural sector do not meet the market needs in terms of quantity, quality, and reliability.

Goals

Information on the opportunities offered by the market will be available and accessible so as to guide in a better way the development initiatives. Profitability for all stakeholders in the agricultural, stock breeding, and fishing systems will be optimized through the intra and inter regional exchanges. Operators will benefit from infrastructures of exploitation such as abattoirs, cold chains, and warehouses; and from markets that will allow them to control their activities.

Strategies

1. Develop a system for the spreading of information about the market.
2. Enhance intra and inter-regions domestic trade.
3. Develop infrastructure to provide better access to markets.
4. Improve the fairness and the fluidity of the market.

PRIORITY PROJECTS AND ACTIVITIES	PROJECT LEADER
1. Extend the access to the existing international and regional data base networks (market map, trade map)	Minister responsible for Agriculture
2. Pass market signals on to producers through media, decentralized communities, and farmers' sector organizations	Minister responsible for Agriculture
3. Strengthen the capacity of farmers' organizations	Minister responsible for Agriculture
4. Intensify and optimize organization of and participation to shows and fairs for the meeting between producers and buyers	Minister responsible for Agriculture
5. Maintain and build exploitation infrastructure such as abattoirs, cold chains, warehouses and markets	Minister responsible for Agriculture
6. Facilitate the acquisition of equipments and tools for conditioning and processing agricultural products	Minister responsible for Agriculture

INDICATORS	2005	2012
Synthetic index of the evolution/development of commercialization (Index base 2005=100)	100	300



CHALLENGE 5 > DIVERSIFY RURAL ACTIVITIES

Current Reality

To Madagascar, many farmers rely on one crop to sustain their livelihood. The lack of research, development and training constrains experimentation with diversification.

Goals

Producers will get the opportunity to improve their incomes. The development of potential sectors in each region will constitute the mainstay of its growth.

Strategies

1. Conduct research on alternative crop potential and market opportunities.
2. Encourage diversification of activities for additional income and in order to reduce vulnerability caused by world price fluctuations and bad weather.
3. Develop and implement an organic agriculture strategy.
4. Identify and develop regional sector specializations.
5. Promote secondary activities : handicrafts, ecotourism, etc.

PRIORITY PROJECTS AND ACTIVITIES

PRIORITY PROJECTS AND ACTIVITIES	PROJECT LEADER
1. Encourage partnerships between research centers and private producers	Minister responsible for Agriculture
2. Decentralize services of seeds certification	Minister responsible for Agriculture
3. Stimulate producers' organization in each new sector	Minister responsible for Agriculture
4. Organize the supports to new sectors : inputs and technological package	Minister responsible for Agriculture
5. Identify potential zones and specialize them in organic produce	Minister responsible for Agriculture
6. Carry out campaigns of information and popularization relating to biological agriculture	Minister responsible for Agriculture
7. Promote the approach « One village – One product » within pilot zones, develop leading sectors in the regions	Minister responsible for Agriculture

INDICATORS

INDICATORS	2005	2012
Average income of rural households (\$US)	123	370



CHALLENGE 6 > INCREASE THE AGRICULTURAL VALUE ADDED AND PROMOTE AGRIBUSINESS

Current Reality

The production system is characterized by the sale/export of non-processed products. Vertical integration exists only for very few products resulting in low value added. Supply chains are not sufficiently developed and organized. Great potential can be exploited by extending the value chain in various agricultural sectors in order to increase substantially the value added from agriculture, stock breeding, and fisheries.

Goals

Farmers will consistently provide the market with more value added processed products that meet the demand of end consumers, that will equally benefit the buyers. Most of the processing of the products for exports will be carried out locally. The local farmers will be connected to domestic, regional and international networks and value chains and will improve their market share accordingly

Strategies

1. Enhance and co-ordinate the agricultural value chain: production and processing.
2. Set up agribusiness centers (ABCs) to train and support farmers in processing, marketing and supply chain management.
3. Promote modern production practices (standards and quality).
4. Develop contractual agriculture between large buyers and small scale farmers.

PRIORITY PROJECTS AND ACTIVITIES	PROJECT LEADER
1. In each specific sector, bring together key stakeholders to maximize value chain	Minister responsible for Agriculture
2. Across sectors, organize key actors across different value chains to increase efficiency and benefit from economy of scale	Minister responsible for Agriculture
3. Set up agricultural productivity centers : agro-technopoles	Minister responsible for Agriculture
4. Set up Agribusiness Centers	Director Millennium Challenge Account
5. Implement system of Hazard Analysis and Critical Control Point	Minister responsible for Agriculture
6. Ensure the system of products tracking : zoning, varieties, genetics	Minister responsible for Agriculture
7. Stimulate labeling process	Minister responsible for Agriculture
8. Open up and and make viable zones for agribusiness investment	Minister responsible for Agriculture
9. Set up and secure large agricultural investment areas	Minister responsible for Agriculture

INDICATORS	2005	2012
Number of agri-industrial units	To be determined	To be determined