



## Empowering Farmers to Prosper in Angola

In many rural areas of Angola, decimated or degraded after almost thirty years of war, people are just beginning to resettle and re-establish small farms in a country that was virtually self-sufficient in food under the Portuguese colonial rule so long ago.

In its heyday, Angola was a major exporter of coffee and cotton. Today displaced persons and refugees return to lands dotted with minefields and towns destroyed by war. Hundreds of thousands are still dependent on food aid. For farmers like those in Humpata, Huila province, and in Dungo, Bengo province, a little bit of help accessing quality seeds could make all the difference in maintaining food security and producing enough to market. But who would risk giving credit to farmers in a weak agricultural economy, barely recovering from decades of war?

The Cooperative League of the U.S.A (CLUSA), with financing from USAID, supports rural group enterprises and agriculture marketing in Angola. CLUSA provided loan grantees to Banco Sol, which in turn provided in-kind credit agreements to small-scale farmers. Groups comprised of over 500 farmers collectively received potato seed, fertilizer, water pumps and pipes for irrigation, pesticides, and sprayers, valued at \$231,779. After three loan cycles, repayment rates averaged about 98.5%. Since USAID pays for administrative costs, Banco Sol can afford to give farmers a 10% annual interest rate – affordable in most cases despite high inflation.



Photo:USAID/Angola

Banco Sol Administrator signing credit agreements with farmers in Humpata.

USAID strategy seeks to promote more market-oriented interventions by helping war-affected populations bring themselves closer to self-sufficiency. USAID is helping subsistence farmers to achieve more surplus production, and smallholder farmers to revitalize their capacity to capture a larger share of the Angolan market.

To accomplish this, USAID encourages a market-oriented approach with the aim to reduce dependency on food aid and donor-funded programs, and increase producer access to markets. The farmers participating in the CLUSA program have started to break the cycle of the Luanda-based markets' dependence on imported potatoes. Buyers are pleased with the quality of potatoes, carrots, onions, tomatoes, and bell peppers coming from the small farms assisted by USAID-funded advisors.

**“With a little bit of credit and lots of energy, I already cleared and planted three of my twenty-five hectares of land.”**

**- Manuel Bernardo, 61-year-old farmer**

Through the credit from Banco Sol, farmers from Humpata were able to access improved seed, irrigation equipment, fertilizer, and pesticides which resulted in producing and marketing of 278,857 metric tons of potatoes, about 2,000 metric tons of carrots, and several tons of leafy vegetables. They earned \$229,852 gross or \$79,112 net after repaying their loans with the interest. With \$213,000 more in credit agreements signed with Banco Sol, farmers are getting the seeds and irrigation supplies they need to boost production and meet demands of the peacetime markets.

“This was the first time Banco Sol or any Angolan bank has given credit to small-scale farmers,” said Sergio Lavrador, the Banco Sol administrator. “We are looking forward to more successes.”

