

# **A summary of the meetings held during the visit of Dr. Robert Zeigler, Mr. Syeduzzaman, and Abdel Ismail to Saudi Arabia, March 7-8, 2009**

March 7, 2009

## ***Meeting with the Olayan Financing Company***

This visit came as a request of Ms Lubna Olayan to Dr. Zeigler. We met (Bob and Abdel) with Mr. Peter Dadzis, President, and Mr. Andrew B. Smith, Vice president. Mr. Dadzis gave an overview of the company and its different activities. The company is mainly involved in financing businesses locally and overseas, and also involved in construction. They have a small activity on rice trading and distribution. Mr. Dadzis expressed interest in learning more about rice and what is expected of its availability and prices in near future. According to him, Saudi Arabia invests about 400 million US\$ on rice import every year. Of this amount, about 85% is Basmati and the remaining 15% is of other types. Basmati is mainly purchased from Kashmir in both India and Pakistan. According to Mr. Dadzis the demand for rice in Saudi Arabia is increasing and this trend is expected to continue in the future. Dr. Zeigler then gave an overview of the history of IRRI and its contribution to rice improvement since its establishment in 1960. He also highlighted the reasons behind global rice price hikes experienced last year, as the decline in funding for agriculture research and development based on the notion that global food security is no longer an issue. Dr. Zeigler provided information about IRRI's research and areas where support is needed to strengthen the delivery of high yielding high quality varieties. They asked about ways that can make the marketing channels more effective to keep the prices low.

## ***Meeting with the government officials and private sector in Riyadh***

This meeting was held in the White Hotel in Riyadh. The meeting was organized by H.E Dr. Ahmed M. Al-Sadhan, General Manager, National Office for Industrial Strategies, Ministry of Commerce and Industry. Private sector representatives include:

- Abdullah Ali Balsharaf, Vice President, Balsharaf Group
- Samir Ali Kabbani, Member of the Board of Trustees, Riyadh Economic Forum, Riyadh Chamber of Commerce and Industry
- Mohamed A. A. Al-Rajhi, Deputy Chairman/ B.O.D, Tabuk Agricultural Development Co. (TADCO)
- Dr. Moh'd Najib Kheder, B.O.D Member, Tabuk Agricultural Development Co. (TADCO)
- Salam Hamoud Al Shamari, Sales and Marketing Department, Agriculture Sector, The National Agricultural Development Company (nadec)
- Nadir Gailan Mahmoud, The National Agricultural Development Company (NADEC)

This meeting came as a follow up of the visit of the Saudi team led by H.E Dr. Ahmed M. Al-Sadhan, who visited IRRI as part of the initiative of King Abdullah for overseas investment in agriculture, for the purpose of contributing to international food security and humanitarian assistance. Dr. Al-Sadhan briefed the meeting of his visit to the Philippines and IRRI, the purpose of the visit was to build strong ties with IRRI as the world leading rice research institute, capable of helping them in their efforts to produce rice in areas that are not being traditionally used for rice production. Representatives from other investment companies (Foras, Tabuk, NADEC, etc) also accompanied him during the visit. Dr. Al-Sadhan expressed his appreciation of the capacity they witnessed at IRRI and the opportunities to have this meeting with IRRI DG. Dr. Zeigler responded by thanking the Saudi counterparts for the chance to visit with them and stressed the tremendous need and opportunities to work together to ensure sufficient food production

worldwide, particularly following the wakeup call of last year's food crises, and also in the face of the rapidly growing demand for high quality rice, particularly in the Middle East. Consumption in the Middle East increased from less than 200 mil mt few years ago to over 350 mil mt at the present. Dr. Zeigler made a presentation giving an overview of the history of IRRI and its contribution to food security; stressing the need for sustainable support for rice research to cope with the rising demand and to avoid similar crises in the future. He also pointed out the challenges to improving grain quality, stressing though that it is now something we believe we can make progress on.

The main issues discussed during the meeting include the following:

- Countries that are most likely suitable for rice production, and whether it is possible to produce high quality rice. Bob advice was to invest in countries that are not highly populated and have good resources and climate for rice production. Potential countries mentioned during the meeting include Ethiopia, Sudan and Egypt. Bob also added Tanzania, Mozambique, Mali and Southern Brazil
- Need for guidelines from IRRI to develop a framework for what need to be accomplished in terms of research needs, target countries and needed support, etc.
- Based on this discussion the meeting proposed that IRRI submit a 5-year outline by the end of March. This outline should pinpoint the research areas that need additional support at IRRI and are relevant to the Saudi overseas initiative, approximate budget, and some directives for investments in overseas rice production.
- In subsequent discussions RSZ felt that we should seek support for grain quality research, AWD, aerobic rice, and the rice supply and demand modeling effort. A proposal in the range of \$5 M per year for 5 years should be anticipated. We should seek to have this be “attributed” funding rather than being tied to a specific set of projects.

March 8, 2009:

### ***Meeting with the Islamic Development Bank***

The Islamic Development Bank (IDB) facilitated our trip to Saudi Arabia. Mr. M. Syeduzzaman, Member of IRRI's Board of Trustees, joined us in this meeting. The meeting was attended by about 17 representatives of IDB staff. Mr. Mohamaden Mohamed Sidiya, Acting Director, Operations Planning and Services Department, chaired the first meeting. IDB launched an initiative to help in enhancing food production after the food crises of last year. The Bank issued “Jeddah Declaration”, where about US\$ 1.5 billion were set aside to address issues related to food crises over 5 years. Most of this budget will be used as relief aid to help member countries to improve their agricultural infrastructure and have access to inputs, including improved varieties of major crops, such as rice, calling for collaboration between IRRI and IDB.

Mr. Syeduzzaman greeted the meeting and gave a brief background about 2008 food crises and possible causes, and how it implicated regions like the Middle East and Africa, particularly member countries. He also reiterated the growing demand for rice in the region and the pressing need for resources to address these demands. He also highlighted the commonality of the missions of both IRRI and IDB, particularly in their efforts to address poverty, human development, health, nutrition and the environment. Dr. Zeigler also thanked IDB for this opportunity and restated the common missions of both institutions as being driven by the Millennium Development Goals, to make the world a better place. He made a presentation giving an overview of IRRI's history and contributions, and highlighted recent developments in rice research. He also highlighted the complacency of donors with the food situation, and the consequent decline in research support, as the main drivers of food crises experienced recently.

Some issues discussed during the meeting:

- IDB responds to the needs of member countries based on requests made by respective ministries, however, most countries preferred investments in infrastructures as roads,

hospitals etc, but not in agriculture development. IRRI could probably help in raising the awareness of these countries to consider investment in agriculture as one of the major priorities for grants through the Bank. Bob commented that the WB has been advising these countries not to invest in agriculture; however this conception is probably changing after the recent food crises.

- The Bank is the major donor of the International Institute of Biosaline Agriculture (ICBA) in Dubai, and IDB expressed satisfaction in learning that IRRI already is collaborating with ICBA, there are opportunities for joint projects to be funded through IDB.
- IDB offers different types of training scholarships for members as well as non-member countries, and details are available on the Bank's web site. A CD was also provided.
- Discussion of the strong relationship between IRRI and the African Rice Research Institute (WARDA), and how WARDA could submit requests for funding proposals, addressing regional issues of rice research and development needs, with IRRI as partner.
- Many member countries in both Asia and Africa are major rice producers and consumers; however, yields are exceptionally low, particularly in Africa (except for Egypt). Reasons for such low productivity were discussed and prospects for R&D to close the gaps and revert these situations were discussed. Establishing a tri-member team of IRRI, IDB and WARDA seems essential to address such issues and constraints.
- Need to replicate any success stories in member countries and support for training through the scholarships program.
- At the end, a few ideas were presented for further discussion and consideration. These include close collaboration between IRRI and WARDA in addressing problems of rice production in relevant member countries, improvement of seed production and dissemination systems, and uplift of irrigation infrastructure in some countries, as in South Bangladesh. Four concept notes were then handed to the chair to be considered for further discussion.

### ***Meeting with HE Ahmad Mohamed Ali, president, IDB Group***

Dr. Syeduzzaman gave a briefing on IRRI's activities, commonalities between the missions of IRRI and IDB, and how the support of IDB is needed in member countries. Dr. Zeigler stressed the need to join forces to combat poverty and potential areas for partnership between the two institutions. He also stressed the need to investment in science and technology and in policy and good governance in order to ensure sustenance of food security. IDB president then expressed his appreciation for the visit and how both IRRI and IDB are addressing similar issues, particularly those related to poverty and food supply. He also mentioned the need for close collaboration to benefit member countries, and contribute to the wellbeing of farmers at the field level. The President was also briefed on the issues discussed during the first meeting.

### ***Meeting with IDB technical staff***

This meeting discussed most of the issues raised during the first meeting in the morning, but with more details. Among the main matters covered:

- The enormous gap in rice yields: comparison was made between yield in Egypt and that of Nigeria and how efforts are needed and opportunities exist for narrowing this gap.
- The urgent need to support training programs for member countries in both Asia and SSA.
- Challenges are vast for SSA, scarcity of labor called for the need to invest in appropriate mechanization such as threshers (e.g. IRRI thresher), small multipurpose tractors, but considering the social atmosphere, particularly the impact on women who are running most of the field operations. Any mechanization project will have to be carefully designed in order to see that women can and will participate and reap the benefits.
- Government policies and attitudes towards supporting agricultural R&D: governments need to be sensitized to advocate changing of existing policies. The crises of last year already brought

this to the attention of some countries in the region, and some are already providing subsidies for farm inputs including seeds and fertilizers.

- IRRI and IDB could work together through the current training programs involving degree training for PhD and postocs to develop elite scientists in member countries, help the least developed countries to send students to more advanced institutions regionally or overseas.
- Support for centers of excellence: this is to provide critical mass for specific centers to excel and help additional research centers. Few programs are already on going, an example is the project between ICBA and Niger on saline water management.
- R&D proposals could be submitted through member countries (**as rehabilitation of irrigation systems in south Bangladesh**) or regional institutions such as WARDA. Any collaboration with ICBA could follow the model of “centers of excellence”.
- Outsourcing: studies that can help in formulating policies for specific countries can also be supported if submitted by member countries, with outsourcing, e.g. to IRRI.
- Developing proper packages of technologies e.g. to increase and sustain rice productivity: countries interested can submit proposals to be implemented jointly with IRRI. Grants are provided free of interest to be reimbursed after 25 years.
- Major investors following “Foras model”, investing in rehabilitation of irrigation schemes in member countries like Mali and Senegal.

Some of the people met at IDB:

Mohamaden Mohamed Sidiya, Acting Director, Operations Planning & Services Department

Abdullah M. S. Al-Anazi, Head, Protocol Unit

Dr. Walid Abdelwahab, Director, Country Operations Department (Asia)

Ayman M. Jalal, Protocol Officer

Abdallah M. Kiliaki, Senior Economist, Operations Planning & services Department

Dr. Intizar Hussain, Senior Water Resources Management Specialist, Operations Planning and Services Department

Dr. Bashir O. M. Dadlalla, Policy Advisor

Elwalid A. Hamour, Country Manger, Country operation department

### ***Some issues for follow-up based on our meetings at IDB***

- IRRI can work with member countries to include proposals on rice R&D as part of their fund requests from IDB. These grants are interest-free and can be paid after 25 years. Some areas for potential funding:
  - Facilitate preparation and submission of a project for rice rehabilitation in Southern Bangladesh: this project can build on the CN handed over to IDB by Dr. Zeigler during the meeting in Jeddah titled “*Integrating coastal water resource development and proper varieties can double productivity of coastal saline areas of South Bangladesh*”. The project should include major investments in rehabilitation of irrigation and drainage canal networks, implementing efficient water management and saving strategies for both wet and dry seasons and integrating technologies being developed at IRRI on suitable varieties and management practices. A similar model may be sought for Indonesia or other members.
  - Projects on developing packages of technologies (germplasm, management) to help narrow the yield gap in any of the member countries in Asia or SSA.
  - Grants to help in formulating proper policies for agriculture development
- Training: making use of the current scholarships being offered by IDB
- Partnerships with IDB institutions: good chance of funding projects with ICBA as partner. ICBA is basically established by IDB and we already have some collaboration with them. Similarly, good opportunities exist in working with or through Foras.

There was a suggestion to start with a pilot project in any of the areas mentioned above, or in other relevant soon, to establish modalities for joint ventures between IRRI and IDB.

### ***Meeting with the Foras International Investment Company***

This visit was facilitated by Dr. Hatim Jamil Mukhtar, Chief Executive Officer and Assistant Secretary General for Projects. Foras is a new organization established last year, with contributions from IDB, Saudi Government and private investors. The company is investing in different enterprises; one of their major planned investments is in rice production overseas in response to the government initiative. Currently they are in the process of investing US\$ 200 million in rice farming, with 30% capital (IDB) and 70% financing from other partners, including the government. Their main objective is to reach an annual production of 7 million tons of rice over 7 years, to feed 100 millions. This is through the development of about 7 – 10 million ha of land over the 7-year time frame. The focal countries for this investment are Senegal and Mali, with the possibility of additional investments in Sudan and Mauritania. Foras as a joint venture between IDB and private sector, work with the Department of Commerce under the Organization of Islamic Countries (OIC) with a membership of 56 countries. The organization is seeking IRRI's support and expertise to help in this project.

According to Dr. Mukhtar, a feasibility study will be conducted by a team from Kasetsart University, Thailand, within the coming three months or so. Dr. Zeigler expressed IRRI's concern over rice supply in the international market, and IRRI's support to any efforts that can increase production. The Middle East is a major rice importer (9%) and the supply is not always insured when only few countries (currently 5), are net exporters. Currently available aromatic rice varieties are not adapted to tropical conditions, however, with concerted research efforts over the long run, varieties with high grain quality could be developed that are adapted to these conditions. RSZ also mentioned the need to invest in areas with sufficient resources and suitable climates for rice production but are not highly populated, as the case in some African countries; however, this will entail investment in mechanization and infrastructure for large scale production. A brochure was provided that has more information about the investment plan and the different phases of the project.

The project already acquired 200,000 ha in Mali, 500,000 ha in Senegal and 10,000 acres in Sudan, all of which will be developed for rice production. The land leased in Mali and Sudan has not been used for farming before. The project will also provide access to education, health care and employment of the local people who will be involved in the project or live in its vicinity, and most of the produce will be used to first satisfy local needs and that of neighboring countries. Pilot farms will be started during the first and second year using local varieties such as NERICAs and Sahel1 and 2. The feasibility study will include land leveling and infrastructure for irrigation and drainage, machinery for various farm operations and post harvest, storage and transport of both inputs and produce and social and environmental aspects of the project.

Also discussed were the following issues:

- Need for a strong communication and media coverage to ensure clear understanding of the project mission and objectives and its major focus of providing sufficient rice for African countries beside the Middle East.
- Need to establish a research unit for evaluating and selecting varieties adapted to these conditions using the germplasm developed at IRRI and WARDA.
- Feasibility studies should cover all aspects of the project, including expected impacts on local communities and environment in the long run, securing efficient inputs and effective transport of supplies.
- The need for support from IRRI (and WARDA) to ensure the success of this large undertaking.