

Agribusiness Development in Africa

Investment & Political Movement in Food Security Agenda

By

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Investments on the Food Security Agenda

A good deal of effort, investment, and political movement has happened on the Food Security Agenda. Smallholder farmers are at the center of US food security efforts, and serious work is being done in Africa to promote improved productivity, market growth and better knowledge of markets for farmers.

Where in your experience, have investments had the greatest impact? What shows the greatest promise? How has increasing price volatility impacted agribusiness investment in Africa? How can agribusiness investments help anticipate and smooth out markets so that there is less volatility in prices for the poorest consumers and so that African farmers can more confidently invest in their farming practices, with the knowledge that they will have a market and adequate information to sell their products?



African Smallholder Farmer

- The African Smallholder farmer will grow maize, with or without knowledge and a market. Why?
 - Food for the family,
 - The only source of income,
 - Subsistence farming is his vocation, his career that is what he does, and will continue to do,
 - It's a cultural norm within the entire community, failure to plant is an embarrassment to the family,
 - For Women it's the yard stick that measures your worth as a woman, wife and mother,
 - The African Smallholder farmer will probably never have completed his primary school education, the most educated will probably be high school level.
- The African Smallholder farmer most probably does not understand the economics of oil price and food volatility the way we do;-
 - That makes us the voice and the advocate for the smallholder farmer.



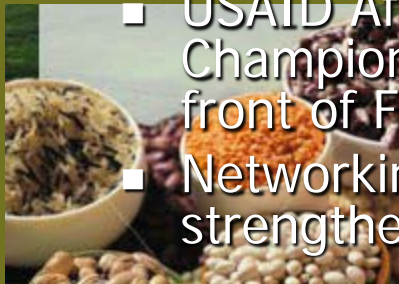
Investments with the Greatest Impact

■ Institutional Capacity Building especially EAGC

- The champions of WRS, Commodity Exchange, Regional Market Prices, Regional Integration are individuals who are in these institutions,
- WRS & Commodity Exchange are today a reality, but the journey started about 4 years ago,
- Quality Grades & Standards validation and adoption is mostly the work of individual champions, individuals and staff from EAGC membership and donor institutions, ideas developed over a cup of tea,
- Dialog has been created between donors, development partners, and the agenda has shifted towards private sector, associations, taking the lead and providing strategic direction e.g. WFP Procurement Modality, Women in Agribusiness in Sub-Saharan Africa,

■ Individual Capacity Building

- USAID Africa Leads, leadership training and development of Champions who through their individual action plan are in the fore front of Feed-the-Future and CAADP implementation,
- Networking contacts and linkage, to build new partnership and strengthen existing ones.



Investments with the greatest impact

- Feed the Future (CAADP) Champions
 - Individual Action Plans have been developed tap into these invaluable agribusiness human resource expertise to implement your existing projects, and create new partnerships.
- Institutions Representation of the Champions
 - PCHPA has the most amazing, resourceful and passionate leadership, both at the board level and management,
 - There are institutions and individuals who are equally as passionate in Africa,
 - Bringing the two together is the challenge, EAGC & PCHPA to work together towards this process,
- Strategic Partnerships both Private and Public will directly link US investment to the Smallholder farmers, therefore directly impacting the farmers.
- The Champions bring in a unique, indigenous solutions, while the US institutions provide quality, cutting edge technology, top notice business models and expertise which will be adopted to suit domestic environment, and the result will be success.



Investments with the Greatest Impact cont...

- There huge foreign investment capital (illegal & legal) in Africa countries, e.g. Somalia Pirate's money has made its way into the Kenya Market, especially in real estate.
- Africa is attracting a lot of foreign investment today, lack of investment by the US may simply mean investment opportunities opening up for other nations, what are the implications for this, in terms of US security,
- There is a lot of foreign investment from China, Japan, India, and Europe especially in infrastructure,
- Increased foreign investment is also coming with increases in immigrates to Africa, what are the implication of this on the US government.



What shows the greatest promise

- Mobile technology especially for market prices information and dissemination,
- Private sector players especially SMEs and individual entrepreneurs are becoming aggressive, and highly sophisticated in identification of niche markets especially within the agricultural sectors,
- Intra-regional trade especially for agricultural commodity is being conducted by SMEs and entrepreneurs,
- Public-Private Partnerships especially for the construction of infrastructure such silos, warehouses, railways, mobile technology etc.
- Agro-processing and value addition,
- Packaging and branding,
- Web-based tools and platforms, from social networks, eCommerce website,
- Expertise on Agricultural finance products and services,
- Quality, grades, and standard especially for export to international markets,
- Agribusiness Human Resource,
- Services on global analysis on trade and market.
- Operations management and productivity of processing plants.



Conclusion

While most of the activities mentioned above do not directly focus on the smallholder farmers, the activities are essential to the strengthening and improving the various processes within the agricultural value chain.

Access to markets for the smallholder farmers in an efficient and timely manner will determine the smallholder farmers cost of production and well as Return on Investment. Therefore strengthening the value chain is profitable for the smallholder farmers, and has a direct impact on the agricultural market prices.



Thank You

