Realising the Promise of Agriculture for Africa’s Transformation

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On the 4th April 2014, CTA organised the 36th Brussels Development Briefing on Realising the Promise of Agriculture for Africa’s Transformation – part of a series of bi-monthly Development Briefings on ACP-EU rural development issues. More than 200 participants discussed the opportunities that agricultural development presents for the economic transformation of the African continent.

Realising the Promise of Agriculture for Africa’s Transformation:

The Briefing considered the key developments and achievements of Africa’s agricultural transformation, in the context of 2014 as the AU Year of Agriculture. The spotlight was on successful partnerships which have responded to agricultural challenges in Africa. Speakers noted the issues which will have to be addressed going forwards, in order for agriculture to fully contribute to Africa’s economic progress.

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The Briefing was opened by Isolina Boto, Manager of the CTA Brussels Office, who spoke about the special context within which the Briefing was taking place and welcomed the participants. Firstly, the Briefing was scheduled to complement the Fourth Africa-EU Summit which took place in Brussels on 2 and 3 April 2014 and focus on the key role of agriculture as a transformative driver for Africa. Secondly, the Briefing also commemorated the 30th Anniversary of the CTA. Ms Boto introduced the Honourable Ministers Dr. Abdallah O. Kigoda (Industry and Trade), Dr. Shukuru Kawambwa (Education and Vocational Training) of Tanzania, and Dr. Mwinyi Haji Makame (Zanzibar) who attended the Briefing.

Patricia Amira, was introduced as the Master of Ceremonies and moderator. She introduced the theme of the Briefing, namely the importance of cooperation in addressing Africa’s challenges and the essential role of agriculture in Africa’s transformation.

The opening remarks were given by H.E. Rhoda Peace Tumusiime, Commissioner for Rural Economy & Agriculture, African Union Commission. She began by thanking the CTA for organising the Briefing and for their partnership with the AUC. In addressing agriculture, Commissioner Tumusiime spoke of its growing profile and increased coordinated efforts aimed at improving inclusive growth and sustainable development. She noted that this event was also taking place in the context of the AU’s celebration of the 50th Anniversary of the AUC/OAU which shares the same agenda of helping the African continent to learn from the past and also exploit future opportunities for social and economic progress. Regional integration is one of the focus areas of this agenda, with the goal of having an African economic community by 2063. The transformation of Africa is essential to this vision, which requires the involvement of agriculture as it is the sector with the greatest potential to absorb the demands created by Africa’s increasing population.

Support for agriculture in Africa is evident in the choice by African
Heads of State to designate 2014 as the Year of Agriculture. Commissioner Tumusiime called on all partners and stakeholders to use this opportunity to focus and look at the policy frameworks, the goals and modalities of implementation for the next decade. Within Africa, the Comprehensive Africa Agriculture Development Programme (CAADP) has already been operating for a decade, and so Commissioner Tumusiime argued that now is the time to decide what should be achieved in the next ten years, in the context of the Agenda 2063. It is critical to have a clear, result oriented agenda for advancing agricultural transformation for inclusive growth. Commissioner Tumusiime elaborated on the CAADP framework, noting the challenges faced by Africa in implementing it and the renewed emphasis on addressing agricultural transformation for industrial development of the continent.

Agriculture has the greatest workforce in Africa of all economic sectors and 1/3 of Africa’s GDP comes from agriculture. Commissioner Tumusiime placed a strong emphasis on the labour potential of agriculture, and the need to make the sector attractive to African youth, as 50% of Africa’s population is under 25. However, other sectors also have to grow with agriculture for it to have a transformative effect.

The investment potential of the private sector into agriculture was also discussed, as around 60% of the land in Africa is unexploited.

The AUC has worked on initiatives with the private sector such as Grow Africa with Yara, and other partners such as the World Economic Forum, to close the gap in the value chain between small scale farmers and other actors.

Financial, technical and technological limitations, which all result in a diminished capacity for small scale farmers were noted. Addressing these is a major factor for improving the input-output ratio. Women’s rights and access to land were noted as some of the initiatives that the AUC is working on.

At the regional and continental level, Commissioner Tumusiime emphasised the key role played by agriculture in the “African Renaissance” of inclusive, stable and sustainable economic growth and transformation and distinguished it from other industries such as petroleum. He furthermore elaborated on the need for industrialisation in Africa, around agricultural clusters which relate to the economic competitiveness of each country.

Mr Ridolfi emphasised the key role played by agriculture in the "African Renaissance" of inclusive, stable and sustainable economic growth and transformation and distinguished it from other industries such as petroleum. He furthermore elaborated on the need for industrialisation in Africa, around agricultural clusters which relate to the economic competitiveness of each country.

Farmers and smallholder farmers constitute a diverse group numbering over 500 million, and making up 95% of all farmers. He also praised women smallholders, many of whom are involved in cooperatives. The EU supports smallholder farmers involved in commercial farming through the BAM and sugar accompanying measures which bolster their competitiveness in the value chain. The EU also wants to assist smallholders in subsistence farming to move towards commercial farming, especially as they are the highly exposed to exogenous shocks (climate change, market fluctuations). Smallholder farming has to be profitable, so the EU’s approach is to assist farmers in meeting standards, creating rural employment and promoting diversification.

Strengthening food resilience and agricultural production, through the Food Facility, is now a focal point of EU cooperation, especially after it was caught off guard by the 2007 food crisis. In the programming of the 11th EDF, the EU has seen 53 ACP
countries select agriculture and rural development as a focal area for support – in Africa’s case, only 19 had chosen this sector in 2007, and in 2013, the number had increased to 32.

In concluding, Mr Ridolfi called on the help of the private sector, which he claimed, presently has an inflated perception of risk in Africa. The EU is trying to hedge this risk, by supporting a pilot equity fund in Uganda to help finance agriculture. Pension funds, especially social pension funds in Africa are essential to providing equity in this sector and are the most appropriate financing approach as they are stable, long term investors. Finance and investment in agriculture was one of the main talking points of the EU and Commissioner Piebalgs during the Africa-EU summit and related meetings. African social pension funds should be the primary funders of CAADP, argued Mr Ridolfi, who also called on CEO’s of big multinationals to look for partnerships with the EU to provide equity for agriculture in Africa.

Finance and funding is also an area where the EU plays a key role, and EU will mobilise €8 billion worth of grants in the next 7 years, some for sustainable agriculture, for public-private partnerships, for protecting the vulnerable and insecure, and for assisting NGOs and working with the private sector alike.

The ACP Secretariat was represented by Achille Bassilekin, Assistant Secretary-General, responsible for Sustainable Economic Development. He warmly thanked and congratulated the CTA for organising the Briefings. He emphasised that for the African continent, agriculture remains the most important sector for achieving economic transformation and poverty reduction. Funding constraints, rising energy costs, climate change, limited technology, inadequate research, and high costs of inputs and resources are all some of the issues of concern and challenges that must be addressed for agriculture to achieve its potential. He argued that agriculture must be approached like other business activities and managed in a sustainable manner.

Consumer demand, higher value products, and high safety specifications all mean that enhancing smallholder productivity, competitiveness and participation in the global value chain are now priorities. The All-ACP Agricultural Commodity Programme (which began after the Mid-Term Review of the 10th EDF) is the ACP’s principal response to these challenges. Mr Bassilekin concluded by emphasising the role of the panellists at the Briefing to contribute to engineering the structural transformation of Africa through agriculture, and also congratulated the CTA on its 30th Anniversary.

The final introductory remarks were given by the CTA Director, Michael Hallu. He stressed the important context within which this Briefing takes place, namely that 2014 was the international year of agriculture and that the African continent is home to most of the fastest growing economies in the world. He decried the fact that for many, agriculture still remains an unattractive option especially for African youth. Reforms and modernisation must take place to ensure that there is growth in agriculture in order for it to capture the imagination of young people in Africa as a labour priority, instead of an option of last resort. Agriculture needs an image change - to go from appearing low paying, low status and tedious, to profitable, modern and respectable.

Impressive progress has been made in the past ten years in African agriculture and public spending in agriculture and rural development has increased. In the context of the CAADP process, progress has been made to mobilise domestic and international resources through technical and financial support for agricultural investment.

Real change in African agriculture requires greater investment in innovation and research. This will lead to an increase in the share of growth in African agriculture from productivity instead of land expansion. Farmers also have to be integrated into value chains, have access to finance, sustainably manage natural resources and there must be an enabling environment for smallholders farmers to grow with the support of strong institutions.
Profitable markets are essential to encourage farmers to invest in their business especially because the primary investors into African farms are African farmers themselves. Farming has to produce enough income for the lives of smallholder farmers to improve.

Demand for agricultural produce has boomed, and Mr Hailu argued that this is a great opportunity for African farmers. According to the FAO, investment into agriculture has to grow by 50% in order to feed the world’s population in 2050. In order for farmers to take advantage of this growth potential, smallholders should be fully connected to the value chain, and adopt relevant approaches to ensure profitability and minimise risks and losses. In that context, CTA value chains work focuses on the promotion of multi-stakeholder VC associations, and capacity building at different levels of the VC. Access to finance is also a major hurdle for farmers, and traditional financing has not been sustainable or successful. VC finance could resolve some of the challenges that exist, especially with new technologies such as MPESA mobile payments, where Africa is a global leader. Public-private partnerships can be developed and stronger win-win arrangements have to be made between banks, farmers and buyers. Africa should learn from its successes and failures, as well as from South-South cooperation and the experiences of other regions which are being supported by the CTA in collaboration with its partners through knowledge sharing platforms, capacity building, joint policy briefings, case studies and other interventions.

In concluding his introductory remarks, Mr Hailu spoke of the Briefing as an opportunity to hear from the decision and policy makers who affect Africa’s agriculture.

The special guest of the Briefing, Hon. Dr. Abdallah O. Kigoda, Minister of Industry and Trade for Tanzania, spoke on behalf of the President of Tanzania, H.E. Jakaya Mrisho Kikwete. Hon. Kigoda explained the factors that constrain the modernisation, transformation and growth of agriculture in Africa, such as insufficient investment, innovation and small markets. The importance of agriculture for economies and labour of African countries was again emphasised.

Hon. Kigoda detailed the predominant challenges faced by Africa’s agriculture, such as its low productivity, due to limited application of science and technology, its dependence on rainwater as well as its low use of high-yielding seeds, pesticides and fertilisers. Additionally, the specific challenges faced by farmers were discussed, such as lack of modern agricultural production skills and knowledge, and limited access to reliable markets, financial and other supportive services. As a result, farms are small, yields and revenue are low. This has a negative impact on poverty reduction for those who are dependent on agriculture and are food insecure. One of the consequences of this is malnutrition, especially for pregnant women and children.

The characteristics of agriculture in Tanzania are the same as in other African countries, where it is the lifeline for the economy and culture. Hon. Kigoda shared some figures, such as 75% of Tanzanians live in rural areas, where they depend on agriculture for their livelihoods. Those in urban areas also depend on agriculture for their wellbeing. Agriculture has an extensive and complex role in the economy, providing food, raw materials for industry, foreign exchange earnings, and jobs. It is responsible for 25% of the GDP, 34% of export earnings, and employs 75% of the population and provides 95% of its food requirements.

Any intervention to transform agriculture must address and resolve the issues of low productivity and lack of reliable markets. Investments and innovation have to be scaled up and ensure the availability of markets. Irrigation is also a top priority, in order to reduce the prominence of rain fed agriculture, which is unreliable especially due to climate change. Only 5% of Africa’s arable land is irrigated, even though Africa has an abundance of water resources. Science and technology which are used in Africa’s agriculture also have to be improved, particularly
with a view to mechanising agriculture to enhance productivity.

A number of impediments facing farmers in Africa need to be solved such as lack of access to modern agricultural inputs by African. Lack of affordable, responsive and reliable financial instruments also leaves farmers deprived of credit to acquire their agricultural production needs. Lastly, education through extension services should be a priority, without which African farmers will continue to use outdated and inadequate processes. Investment in education and training to prop the numbers of agricultural extension services in African should be taken up.

Markets were singled out by Hon. Kigoda as a key avenue through which African farmers can strive to grow, particularly as readily available, well managed markets mean farmers can get increased revenue from their crops. This then helps them move out of poverty. Access to markets also requires good infrastructure and rural transport modes, which also impact the revenue of farmers. At the rural level, pro-poor policies to help those most vulnerable to adjust to rapid transformation are needed, including interventions for smallholder farmers, improved market research and market information, strengthening producer organisations to achieve scales of production, marketing etc. and policies for women and youth. Education and other training initiatives are especially necessary for the youth.

Hon. Kigoda called on African governments to increase government agricultural funding to 10% of GDP as per the Maputo declaration, and strongly promote the involvement of the private sector in agriculture. Focus areas for interventions should be agricultural value added, multi-sector approaches, that support agri-business and rural diversification. This is an essential response to the changing dynamics of Africa’s economic prospects in the last 10 years, with rapid growth, micro-economic stability, improved investment climates, rising international prices for agricultural products and expanding market opportunities in the African continent.

Panel: Africa’s transformation cannot happen without agriculture

For Ousmane Badiane, Director of Africa, IFPRI, ‘Africa’s transformation cannot happen without agriculture’. His presentation focused on the structure and quality of growth, and then the outlook for the next 15-20 years and the implications for Africa’s present and future business relationships.

Africa had not only been experiencing its longest period of sustained economic growth, but also this growth had been broad based and shared across the continent. This implies, in Mr Badiane’s evaluation, that Africa is on the right trajectory. It is necessary to understand and learn from the positive change in Africa’s economic growth, and what lies behind this. Analysis shows that African economies can be characterised as having “a stunted agricultural sector and an oversized service sector”. This means that agriculture has not reached its full potential and the macroeconomic accounts of many African counties show agricultural shares of 10%, 20% and 30% which is below the ideal for a healthy African economy. This is a result of the stunting of agriculture in Africa in the 60’s to 80’s, which needs to be reversed. In comparison with other developing countries, African economies will have agricultural sectors that are 20% lower, and services sectors which are 20% higher.

Agriculture has lost a lot of labour to the services sector, which has had a particularly marked effect on youth employment. Mr Badiane argued that there should be a balance, to promote agriculture generally, but also include modern infrastructure and the large informal sectors. This is where you have the proto-industrial handicraft services with potential for future employment. Agribusiness in particular, has strong opportunities for expansion through sophisticated higher value goods. This is due to the changing demands from the developing urban centres, who expect goods that are not traditional staples, but are instead transformed, higher-value products.
The most positive outlook for agriculture will be from the urban sector, which is expected by 2030 to be responsible for a growth in demand for food worth over $100 billion. If smallholder farmers could be connected to this growth, they could make an additional $30 million worth of income. Global food price trends will continue to rise, and those countries which are able to get competitive sectors involved in this trajectory stand to gain. Those that fail will face double jeopardy, by having to import the food needed for consumption at much higher prices, and also losing the opportunity to make money.

In explaining how African countries and partners can take advantage of the opportunity for agriculture in the continent, the first recommendation by Mr Badiane was to emphasise the importance of learning from developments in the past 10-15 years. These include macroeconomic reforms, sector reforms, investment and private sector reforms. A key point was to have institutional memory, which involves enhancing capacity and linking data and analysis and decisions to benchmark and track policies.

Mr Badiane introduced the concept of the “missing middle” between the farm gate and retail, which will have to be reinforced. It now involves a lot of new professions, distribution, packaging in addition to criteria relating to safety, product innovation etc. This is where growth will arise and where attention should be focused. Lastly, skills and labour force development for all, along the entire value chain in agribusiness, is indispensable, as skills are highly in demand for innovation and business acumen.

For Africa’s growth to be sustainable, it’s quality will have to be improved. This means involving agriculture to its fullest extent in the growth of economies by promoting higher value sophisticated goods, whilst making sure that the middle of the value chain is strengthened and that skills are upgraded along the entire value chain.

Catalyzing agricultural performance for the continent through improved partnerships was the theme of the presentation of Abebe Haile Gabriel, Director of Rural Economy and Agriculture at the African Union Commission. The role of CAADP as an effective framework to catalyse and channel partnerships for agriculture in Africa was a specific focus of his presentation.

Mr Haile Gabriel began by dispelling some myths about CAADP. First he clarified that it is not a programme, and that it does not run concurrently with any other programmes. Rather, it is a framework based on a set of principles and common rules of engagement. CAADP has brought Africa’s agriculture to the forefront of the development agenda, and has helped overcome the indifference to agriculture which existed in the past. Another achievement of CAADP was to reassert African ownership and leadership to drive the continental agricultural development agenda. Subsequently, the CAADP goals and commitments are better understood and adhered to.

The extent of investment into CAADP by African states demonstrates strongly the level of buy-in, with 40 African countries being signatories of the CAADP compacts, and 28 have developed national agriculture and investment pacts through the CAADP process. The role of CAADP as a platform has been to mobilise private sector investment and promote evidence-based planning and review. It has led to the creation of a sense of mutual accountability through its monitoring and evaluation system. Furthermore, credible mechanisms to facilitate effective partnership engagements have been put in place, such as the CAADP Partnership Platform, which play a strong role in policy alignment.

Since 2003, the rise in public funding allocation for agriculture by African governments has been over 7% per year. This actually constitutes a doubling in public expenditure on agriculture since the launch of CAADP. In the same period, annual agricultural growth as part of GDP has averaged nearly 4%, which is well above the figure for the previous decades.

The main priority right now, with CAADP reaching the milestone of ten years in operation, should be to maintain the momentum, take stock of lessons learnt and strategise
on the course for future actions. This links in with the choice of 2014 as the AU year of agriculture, under the theme of transformation and shared prosperity under the five elements of: transformation for enhanced production and productivity; functioning markets and trade related capacities (product transformation); ending hunger and malnutrition by 2025; building resilience and risk management; and promoting investment finance.

Mr Haile Gabriel concluded by arguing that shared goals and improved partnerships can be achieved through aligned programmes and coordination by way of national systems and accountability.

Paulus Verschuren, Special Envoy for Food and Nutrition Security of the government of the Netherlands spoke about “Zero hunger, zero malnutrition: what does it imply?”, arguing that in addition to agriculture as a catalyst for economic growth, hunger and malnutrition also have to be combated for Africa to move ahead. He introduced some of the ongoing work the Dutch government had already been carrying out with stakeholders in Africa to address food and nutrition security. The basis of Mr Verschuren’s presentation was the book by the Dutch government, titled “Zero Hunger, Zero Malnutrition” which provides eleven examples around agriculture, food and health initiatives supported by the Dutch government. In justifying the need to address hunger and malnutrition, he established that as malnutrition stems from poverty, the future prospects of children in Africa are inextricably linked to their nutrition. Hunger and malnutrition prevent development and prosperity. This means that nutrition is a core component of the agriculture and food debate, and should be part of the Post-2015 discussion.

Mr Verschuren argued that the global community must eradicate the hunger and malnutrition today, and the foundations have to be laid to feed the growing population of tomorrow. African governments are responsible for the solutions to these challenges, to integrate agriculture, health, food and nutrition. Consumers also play a key role, and the response to hunger and nutrition should be consumer led. Partnerships are essential to resolving hunger and malnutrition, and government, civil society, private sector and other institutions all need to be in play.

The Schokland Fund is one of the initial partnership instruments which the government of the Netherlands has been involved with since 2005, and Mr Verschuren informed participants that in this context, partners have to learn from each other and to develop collective goals. Another programme, the Amsterdam Initiative Against Malnutrition, took two years to become successful. The Netherlands also adopts the twining model, which leverages business resources with public funds to achieve collective goals. Partnership also means a reconsideration of the status of ‘donors’, from that of an unequal relationship, to that of partnership. This is exemplified in the joining of the trade and development functions in the Dutch government to create a Ministry of Trade and Development. This implies a move away from traditional aid to more progressive aid that is linked to trade, according to Mr Verschuren.

Presenting the private sector perspective, the CEO of Yara International, Joergen Ole Haslestad introduced the work of Yara on knowledge sharing and development, and his experience personally as a 15th generation farmer in Norway.

Yara has been involved in Africa through its fertiliser business for over 35 years, and since 2006 it has also given a Yara Prize and has cooperated with African stalwarts such as Kofi Anan with his African Green revolution. A specific area of focus for Yara has been its support of agricultural growth corridors, in partnership with leaders such as President Kikwete. This contributed to the Grow Africa initiative, which is aligned with the G7 New Alliance launched by President Obama two years ago and now has over $5 billion worth in projects and initiatives.

He reminded participants that 70-80% of Africans are farmers in the broadest sense, and that there is 60% unused farmland on the continent. Adding to that the rapid growth of the agricultural market and consumer demand all result in a massive potential for
farmers and especially smallholders. However, Mr Haslestad countered, the farmers should also understand that they have to evolve a business-minded approach, and move on from subsistence farming.

Parallel value chains are also part of the equation of making agriculture a driver for the African economy, argued Mr Haslestad. These range from logistics and business skills to finance, insurance, telecoms, infrastructure and R&D. These all need to be aligned so that increased productivity by the farmers can be absorbed by both the agricultural and other economic and productive sectors.

Mr Haslestad reinforced the need for partnerships and collaborations so that growth in the agricultural sector can have the greatest impact on the rural poor. Companies play an important role in agricultural production. Alignment in efforts and market optimisations by global partners (USAID, Grow Africa, Sun movement, World Bank, DFID etc) is necessary, as is innovation alignment by pooling resources to find synergies in the activities of partners. The CAADP policy framework must be supported, as it is grown and driven by African farmers, industries and private sector. Public-private partnerships with the EU have been overlooked by the private sector, Mr Haslestad lamented, and in his experience, the outreach by the EU has not been visible. He responded by noting that Mr Ridolfi’s earlier offer for public-private partnership by the EU would be eagerly met by the private sector.

The perspective of the African farmers was put forward by Theo de Jager, President, Southern African Confederation of Agricultural Unions. In his presentation about linking farmers to agribusiness for job creation and entrepreneurship development, Mr de Jager spoke of the ambitions of African farmers to transform African economies into the next China or Japan, through agriculture.

He listed the unique resources that Africa already has, namely land, water, climate and human resources, but then noted that the continent is also lacking many key components for agricultural success, namely the value chains, expertise and the linkages to markets and technology, which all need financial investment.

In a global environment that has made the world smaller, it is not possible for African farmers to achieve the developments necessary to compete on their own. Rather, partnerships are essential to this new model of growth. Mr de Jager mentioned partnerships with government, farmers organisations, agribusiness in other parts of the value chains and the donor community.

As a concrete example of the potential for partnerships to help modernise farming in Africa, Mr de Jager spoke of SACAU’s engagement with the Bill and Melinda Gates Foundation since 2003. Under the Comprehensive Training on Structural Governance in SACAU, the governance methods of SACAU were improved through the provision of training on how to undertake various governance duties (treasury, secretarial etc), all with a view to making SACAU more attractive to potential partners as a reliable, accountable and responsible organisation.

Another effort by SACAU to build organisational capacity is the Agricultural Fund based in Mauritius, which supports smallholder farmers in accessing finance from commercial bankers. The Fund (which constitutes several smaller funds covering equity, investment, gender development...) acts as a haven for risks. It is a type of collateral against the risk that banks would otherwise consider as prohibitive to providing lending to smallholder farmers. It also breaks farmer’s dependence on donations from the donor community – in Mr de Jager’s view, African farmers need finance to operate as a business, and the donors role should be to provide collateral.

Mr de Jager emphasised the need for competitiveness at the global level as a driver of growth and wealth creation for farmers in Africa. The emphasis should be on assisting farmers to break out of the trap of poverty, instead of romanticising the life of smallholder farmers. Mechanisation is a key driver of competitiveness for farmers, and SACAU is receiving the support
of the German government in this regard. Mechanisation is the only way in which the underdeveloped or underused land in Africa can be farmed, and collectively, it is possible for farmers to afford the mechanical inputs needed to pursue this task. In achieving this modernisation of farming in Africa, Mr de Jager pointed out that because farmers are developing from such a basic stage, they have the added opportunity of modernising their practices from the get go in the right way, such as by emphasising climate smart agriculture.

Frank Van Ooijen, Director Sustainability, FrieslandCampina, presented the ways in which theory had been put into practice through the private sector, speaking about efficient and sustainable dairy supply chains for improved nutrition and health. He gave participants a background of FrieslandCampina, and echoed the sentiment of the previous speakers that farmers need to be ambitious and business oriented. He noted that the original farmers from Belgium, the Netherlands and Germany who helped found FrieslandCampina would not have imagined that the business would be worth almost €12 billion in 2014.

Since 1954, FrieslandCampina has been operating in Nigeria and now exports to 25 countries in Africa. It is also keen to invest in other regions in the continent, through inclusive business models. This technique, building on experience in south-east Asia, involves working with farmers, farmers organisations, NGOs and academia, to share knowledge in order to build the resources and capacities of the farmers (e.g. farming techniques, feed issues, animal husbandry etc). As another example for African countries of how FrieslandCampina is involved directly in supporting the growth of dairy farmers, is the Dairy Development Programme in Vietnam which has been operating since 1996 and produces nearly 20% of the local dairy supply for FrieslandCampina.

Mr Van Ooijen emphasised the opportunities for dairy to address nutrition issues, as noted in the FAO report Milk and Dairy and Human Nutrition, through collaboration, working on a common agenda and supporting rural development in Africa.

The final presentation was given by Daniel Gad, Managing Director of Omega Farms & Ethiopian Horticulture Co-operative. Mr Gad discussed the role of the African private sector in the development of agribusiness, and started by lending his support to the arguments made by the previous speakers. The key theme which Mr Gad emphasised for the participants was the momentous and unique status of 2014 as both the year of Agriculture and the year of Smallholder Farming, and the opportunity this entails for Africa, a continent which has not fully achieved its potential. He gave the example of the achievements of Ethiopia, as a case study on how this opportunity of agriculture for economic development can be realised. The agrarian revolution in Ethiopia was showcased through the experience of the coffee growers in Ethiopia, who have brought their industry into the 21st century through commodity exchanges which stabilise prices, allowing for an increase in production whilst guaranteeing a healthy price and profit for the farmers. The business approach should be at the heart of farming in Africa, whatever the crop may be, and Mr Gad emphasised the irony that many of the foods found commonly in Europe – tahini, hummus, etc – are still produced in conditions that are unsustainable and out of date in developing countries. In fact, the inequality and imbalance in the model of production and consumption of commodities such as chickpeas, between the farmers in Ethiopia and the buyers in Europe, was brought to light by Mr Gad. Producers of chickpeas in Ethiopia, which involves over 350,000 Ethiopian households, do not enjoy a proportionate share of the €450 million market of hummus in Europe.

Bridging the gap between the status quo and the development of better and more profitable models for farmers to securely and sustainably fulfil the global food demand is imperative. This requires political initiatives, and Mr Gad noted that Ethiopia’s former Prime Minister Meles Zenawi, led the government to transform agriculture through the Agriculture Transformation Agency. This institution, made
up of visionaries, academia and other notable members, provided assistance to the Ministry of Agriculture to realise the ambition of farmers in Ethiopia to improve agriculture in the country.

Food production is nothing new in Africa, continued Mr Gad, although historically the quality of production has been weak. Furthermore, whereas the private sector is extensive on the continent, with hundreds of millions of men and women involved in growing food, they have inadequate facilities covering finance and technology. These challenges extend again to the lack of interest of youth in farming, many of whom believe their prospects are better working in coffee shops in Europe over being coffee farmers in Africa.

Profit is an essential part of the equation for farmers. Mr Gad thanked the Dutch and German government for supporting African farmers to bridge the gap between the farm and the markets He also called on the EU to be more engaged with the private sector in Africa to first and foremost mitigate risk rather than just acting as a donor.

In concluding his assessment of Ethiopia, Mr Gad was clear that the agricultural revolution has challenges that it will face in its maturity, namely how to continue the positive developments once the “low hanging fruit” have been exhausted. This specifically concerns the need to aggressively scale up production and quality to levels which meet the demands of global consumers. Mr Gad therefore called on participants to consider what role they can play in their respective industries, whether it is research, education or technology, in order to make African agriculture more attractive and responsive to the needs of the 21st century, and to address food security and nutrition in the future.

The panel session was followed by a short CTA 30th Anniversary celebration with the launch of the book “Stories of Change: Transforming Lives through Agricultural and Rural Development”.

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