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*Key drivers of success for agricultural transformation in Africa*  
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### **Leveraging private investments in African agriculture**

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#### *Executive Summary*

#### **Introduction**

- Cargill is a 148-year old multinational company involved in agricultural merchanting and food processing at core. We have 140,000 employees in 60 countries.
  - Cargill has been active in Africa since 1981
  - In Africa we have 4,000 employees in 9 countries – especially Ivory Coast, Ghana, Zambia, Zimbabwe, South Africa, Kenya
  - Key areas include cocoa, cotton, grain and oilseeds
- Best way to think about us is that we bring the market to the farmers, and help the farmers access the market to the best of our ability. And we do this in partnership with many different organisations, both governmental and non-governmental.
- Will talk about cocoa and cotton.

#### **Cocoa**

- Sourced cocoa for over 40 years
- In Ivory Coast we built processing over 10 years ago and developed a network of buying stations, warehouses and crop research teams. This means that we are now able to process about 120,000 tonnes of cocoa beans locally, capture the added value in Ivory Coast and export the processed products, as well as a continuing bean export to our processing facilities in Europe.
- We developed farmer training - farmer field schools - and cooperative training programs. Today we reach 60,000 farmers through more than 1,000 field schools. And since 2008 we have worked with UTZ certified to certify sustainable cocoa production through cooperatives. This scheme certifies agricultural, social and environmental practices. We started out being able to certify 2 cooperatives and now have 87 certified cooperatives. The UTZ scheme this year will return \$14 million to these cooperatives. Cooperatives are critical intermediaries with smallholder farmers, particularly in terms of access to credit and inputs. We have helped train cooperatives with management skills and financial and business leadership skills.
- When we then built processing in Ghana – a \$100 million investment in 2008 at Tema - we then also instigated farmer training programmes. These are currently reaching 22,000 farmers, in cooperation with the Ghana Cocoa Board. Ghanaian cocoa products are sold under the “Good taste of Ghana” initiative to promote their high quality.
- These training programmes have really helped to improve the productivity of the cocoa trees by on average 30%- with a similar impact on farm incomes.

- We have developed the Cargill cocoa promise which is focused on farmer training, strengthening local communities by supporting better access to education and healthcare, and increasing production.
- We have recently launched a cocoa program for smallholders in Indonesia which builds on our African experience, working with IDH and the South Sulawesi government.

### **Cotton**

- We source cotton from Zambia and Zimbabwe.
- Currently we are working with about 100,000 farmers in Zambia and 29,000 in Zimbabwe to help them meet the production criteria for "Cotton made in Africa". We have 400 cotton buying stations in rural areas that help us provide the support as well as buy the crop. This builds on the Competitive African Cotton Initiative – COMPACI – which aims to increase yields by over 30% for 265,000 cotton farmers in 6 countries. By participating in this program we could increase our extension services. One of the most successful initiatives have been our Cargill Cotton Women's clubs where women train other women farmers. We now support about 800 of these clubs reaching about 32,000 women farmers.

Both of these crops are smallholder crops and export crops. Our aim has been to make smallholders successful commercial farmers in a sustainable way. Sometimes there is criticism of export crops as a smallholder approach but in our view the most important aspect is for the smallholder to produce for a market because that will take him out of poverty and provide him with more opportunities.

And these investments have spin offs: for example in Ghana, we are now providing fish feed for the growing tilapia fish industry and training the fish farmers in how best to use it. In Zambia, we are now working with Technoserve and the Zambian Agricultural Research Institute to enable 5000 smallholder farmers to expand into soy production and increase incomes through crop diversification. And also in Zambia we are using the cotton infrastructure to help the farmers grow maize and provide them with a market for that – which helps them diversify their risk. Last year we already reached 30,000 tonnes.

We have also partnered with General Mills and DSM and with Technoserve to help small and medium sized food processors in Africa to produce safe, better quality food and thereby grow demand for the farmers' produce.

We are now looking at some new initiatives, including cassava for starch production in Nigeria and grain production in Mozambique. In these cases we want such production to come from both smallholders and some larger farmers to demonstrate more vividly how production can be scaled up and use the economies of scale to develop the storage and processing infrastructure needed. We will certainly build on our experience with producers and cooperatives to help these initiatives work.