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Session Title: “Inclusive value chains, enabling environment, and food security in Africa”

Session Rationale: Africa’s agriculture and agribusiness sectors have changed significantly over the past two decades. The key drivers for this transformation include rapid urbanization, the rise of supermarkets, changes in land tenure systems, targeted investments in agricultural intensification, economic liberalization, and climate change. Those changes have spurred private sector investments in both input and output value chains for agricultural products. While the evidence for full structural transformation is still debatable, the effects on key stakeholders such as smallholder farmers and urban consumers are already widespread. This session shares some empirical research on inclusive agricultural value chains, enabling environments for private sector investments, and the implications for food security in Africa. With a focus on Sub-Saharan Africa, the session highlights the mega trends in African agriculture, evaluates the welfare impacts on key stakeholders, and discusses implications for policy makers. A key question for discussion is: To what extent do current agricultural policies fit the present dynamics and future challenges of feeding a rapidly urbanizing continent?

Session Organizers: Edward Mabaya and Ralph D. Christy (*Cornell University*)

Chair: Ralph D. Christy (*Cornell University*)

Provocateur: Mesfin Bezuneh (*Clark Atlanta University*)

Paper Presentations:

“Enabling Policy for Expanding Private Sector Investments in Agricultural Input Supply and Output Markets in Smallholder Staple Food Value Chains” by Joseph Rusike (*Alliance for Green Revolution in Africa*) and Steven Were Omamo (*World Food Program*)

Abstract: Sub-Sahara African governments are placing emphasis on expanding private sector investment in agricultural input supply and output marketing in smallholder staple food crop value chains in order to get agriculture moving again. But many of the agricultural policies, laws and regulations that African countries carry on their books and that they implement in practice deter rather than promote private sector investment. This paper reports the findings of a rapid reconnaissance study to diagnose and assess the current landscape of agricultural policies, laws and regulations and identify which limit private investment in smallholder value chains, and which ones need to be reformed. The study found that there is a pressing need for micro-level policy and regulatory reforms and increased capacity to undertake complex, highly technical, and potentially politically-sensitive tasks of identifying, analyzing, reforming policies and regulations, and monitoring their implementation.

“Inclusive Agribusiness Value Chain Models in Africa” by Carlos da Silva and Nomathemba Mhlanga (*Food and Agriculture Organization*)

Abstract: Agro-industries are an important source of employment and income generation worldwide, occupying a dominant position in the manufacturing sector of the economy and representing a significant demand driver for agricultural products. As part of its mandate to provide food security for the world’s growing population, FAO promotes the development of agro-industries through its technical programs, including activities in the areas of policy advice, capacity building, advocacy, awareness raising and investment promotion. This paper appraises

various approaches and mechanisms to foster the emergence of inclusive agribusiness value chain models in Africa.

“Rethinking Food Security for Africa’s Urban Consumer” Edward Mabaya (*Cornell University*) and Norbert Wilson (*Auburn University*)

Abstract: Food security in the African context often focuses on rural households and smallholder farmers. However, most Africa countries are rapidly urbanizing. According to a recent World Bank report, urbanization is the single-most important transformation taking place on the African continent, with more than 450 million new urban dwellers expected by 2040. Urbanization brings new challenges to food security related to production, processing, distribution and access. The often-overlooked food insecure urban households pose substantial challenges to the food system. These persons are highly dependent on retail outlets, informal grocers and global value chains. For example, according to the South African Social Attitudes Survey, 46 percent of households reported running out of food due to a lack of money (Labadarios, et al 2001). Based on lessons from the northern hemisphere countries such as the United States and Europe, we proffer solutions to Africa’s urban food insecurity.

“Megatrends and the Future of African Food Systems”

Lulama N. Traub (*University of Stellenbosch*), Felix K. Yeboah (*Michigan State University*), Ferdinand Meyer (*University of Pretoria*), T.S. Jayne (*Michigan State University*)

African agri-food systems are complex and interdependent systems with the following features: (1) they develop endogenously with broader demographic and economic changes in the broader economy, hence it is difficult or impossible to predict their specific growth and income distributional trajectories; (2) their future trajectories are highly dependent on policy choices and public investment patterns and hence can be molded by public action; (3) they evolve through interdependent decisions of many actors such that few emerging patterns can be linked to a particular agent within the system; and (4) the variables influencing their development change over time with the underlying structure of local, regional and international economic systems, and with changes in technologies and institutions. In this dynamic environment, notions of equilibrium may be very short-lived. Nevertheless, we believe that there are identifiable “megatrends” with a high probability of affecting African food and broader economic systems in the coming decades. This paper investigates the evidence of ‘megatrends’ shaping African economic, political and social landscapes and asks which ones depend endogenously on processes that are within the realm of policy influence and which ones are indeed exogenous. Based on this analysis, we consider alternative plausible scenarios regarding the future development of African food systems that could emerge as a result of policy and public investment decisions.

Proposed layout

The session is expected to last one and a half hours organized as follows. First, the chair will motivate the topic and introduce the speakers. The provocateur will ask critical questions around the theme of inclusive value chains, enabling environment and food security in Africa. The key contributions of the session will come from four presentations from key institutions such as, Food and Agricultural Organization and Alliance for Greed Revolution in Africa, World Food Program, and several universities. The session will end with an open discussion of the papers and related issues.