



The Dutch Diamond supports African farmers
providing fresh and healthy food to Africa's
urban population

Programme

- Conference chairman: **Pim Mol**, Director Rabobank Foundation
- 09.30h** Short words of welcome by **Berry Martin**, Member of the Managing Board Rabobank; **Cees Veerman**, President foodFIRST Coalition; **Wachira Kariuki**, ClassicFoods; video message **Sigrid Kaag**, Minister for Foreign Trade and Development Cooperation
- 10.10h** Keynote speech: **José Graziano da Silva**, Director-General FAO
- 10.35h** Keynote speech: **Louise Fresco**, President of the Executive Board WUR
- 11.00h** *Workshops:*
- 1 *Silent revolution: organized farmers taking the lead* (Agriterra)
 - 2 *Private sector coalitions to feed African cities* (F&BKP, MVO Netherlands)
 - 3 *Critical capital for African agrifood entrepreneurs* (ICCO, AgriProFocus, Rabobank Foundation)
 - 4 *Youth and agripreneurship* (F&BKP, YEP, AgriProFocus)
- 12.30h** Lunch; during the lunch break there will be (poster) presentations of organisations in the foyer
- 13.45h** **Albert Boogaard**, Rabobank: presentation of Rabobank's view on the digitization of smallholder finance and value chains
- 14.00h** Panel discussion facilitated by ECDPM: *Sustainable food systems & agripreneurship—what role for the AU-EU Partnership and the Climate Funds?*
- 15.00h** Keynote speech: **Josefa Sacko**, AU Commissioner for Rural Economy and Agriculture
- 15.25h** Break
- 15.40h** Conversation, moderated by **Cees van Rij** (Agriterra)
- 16.40h** Wrapping up by **Reina Buijs**, Deputy Director-General for International Cooperation at the Dutch Ministry of Foreign Affairs
- 16.55h** Closing: **Cees Veerman**
- 17.00h** Drinks

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This conference is about the challenges and opportunities for African farmers/agripreneurs to provide the urban population with fresh and healthy food, such as vegetables, fruit, poultry, dairy products and meat; with a special focus on the farm-to-market trajectory.

The leading question is:

How should the Dutch Diamond actors (government, research institutions, business and civil society organizations) connect to these challenges and opportunities, establishing partnerships for reinforcing rural-urban linkages and developing the food chain?



Urban growth increases food demand and spurs dietary changes in urban areas. New demand creates opportunities for rural producers. Massive gains are to be made in post-harvest handling and logistics, as in Sub-Saharan Africa between 30 and 50% of production is lost at various points in the value chain. Private investments are essential, as the public sector alone cannot bring about the necessary agricultural transformation.

The multiple challenges Africa is facing in terms of food insecurity, malnutrition, climate change, degradation of ecosystems and inclusive development—in a number of regions intertwined with conflicts and instability—require integrated responses and a transition to sustainable, resilient agricultural and food systems. Investments in social inclusion and resilience are needed, especially in youth, with a focus on employment and offering new opportunities for smallholder agriculture, agribusiness and SME's. With an estimated 364 million Africans between the age of 15 and 35 years, Africa has the youngest population in the world.

The challenge for Dutch Diamond actors (government, research institutions, business and civil society organizations) is to connect to this opportunity, help manage risks and establish partnerships for reinforcing rural-urban linkages and developing the food chain.

A window of opportunity

Governments, from heads of state to ministers of agriculture on the African continent,

recognize the political priority of, and the opportunities for, the agro-food sector. There is now a wide consensus that food security, rural employment, climate change, and breaking the vicious circle of hunger-conflict-migration demand a new and extensive answer of broad investments in Africa, from inside and outside.

Recently this has been picked up by the international community, the European Union and the Netherlands Government. Plans and facilities have become available or are being prepared, by the new government of the Netherlands, as well as in Germany and France. Booming urban markets in Africa provide business opportunities for farmers as well as local and international businesses/companies. Urban consumers need fresh and healthy food, such as vegetables, fruit, poultry, dairy products and meat. The food issue is a leading theme on the international agenda.

Challenges and opportunities in African agro-food systems are evolving

Growing cities, economies shifting towards non-agricultural sectors, and rising household incomes are resulting in an unprecedented expansion in food markets throughout Africa. The emergence of an urban middle class is driving up demand for food, including processed products, animal products, and fresh fruits and vegetables. New food distribution channels are rapidly expanding. This changing food economy creates opportunities for farmers, agro-food small and medium-sized enterprises (SMEs), distributors, retailers and business services providers. With vast, though currently under-exploited, arable land, water and fisheries resources, Africa could become a major food basket in the world.

Yet, difficult challenges are facing African agricultural and food systems. Inefficiencies in agricultural production and markets, including low farm productivity, high post-harvest losses, large marketing margins, volatile market prices and financing constraints, hamper the integration of local and regional agro-food value chains. Local supply has fallen short of a dynamic urban demand for foods, both in volume and quality. Overseas imports have filled in a widening gap, contributing to trade imbalances. Agriculture is held in low esteem by the rural youth, who prefer the shine of the city.

Africa's food insecurity problems are morphing into a triple burden of malnutrition. The prevalence of undernourishment and chronic child undernutrition in Sub-Saharan Africa, although steadily declining over the past 15 years, is still by far the highest in the world, with rates of 21,3% and 34,2%, compared to 10,7% and 22,9% worldwide.¹

1 Chronic child undernutrition is measured as stunting prevalence among children under five. The level of wasting prevalence in Sub-Saharan Africa in 2016, 7,8%, is just above the world average, 7,7%.

Severe food crises remain frequent in parts of the continent while micronutrient deficiencies cause hidden hunger. Yet, general trends conceal stark spatial disparities in the socio-economic conditions of African households, especially between coastal cities and hinterlands. In many African countries, high prevalences of child undernutrition and anemia among women now coexist with increasing rates of overweight and obesity, in both adult and child populations, and an increase in diet-related chronic diseases, especially in urban areas.

While poor and vulnerable households are still concentrated in rural areas, with many of them depending on subsistence farming, pockets of poverty are growing in many cities. Many African economies have grown at a fast clip for the past 15 years or so, but some rural areas have been left behind due to a lack of economic integration, insufficient local investments or the damaging effects of localized conflicts on livelihoods and public services delivery.² With demographic growth, the steady rise in aggregate agricultural production has done little to lower undernutrition rates in those areas.

African agro-food systems also face serious environmental constraints. In many parts of the continent, unsustainable practices in farming and overexploitation of natural resources have led to the degradation of soil fertility. Rising population densities and urban sprawl have intensified the pressure on land and water resources used by farmers and pastoralists. Climate change brings about major risks for livelihoods exposed to drought or excessive rainfall. Sustainable intensification, agroecological or “climate-smart” practices are promoted by various actors, but these efforts still have to match the scale of those challenges.

Confronted with those challenges, a new generation of African entrepreneurs and development practitioners are testing innovative technologies and business models to exploit opportunities in agro-food value chains and creating jobs, while overcoming the shortcomings of public institutions.³ They use information and communication technologies (ICTs) applications to employ farm labour and natural resources more efficiently, ease market transactions, access mobile banking services and bring products

The number of undernourished people in Africa reached 243 million in 2016, up from 191 million in 2010. The number of stunted children is on the rise in recent years.

2 Currently food insecurity and undernutrition in Africa is largely due to conflicts, fragility situation and protracted crises—the prevalence of child stunting is 15 percentage points higher in countries affected by conflicts, which are on the rise.

3 For example, see the 2017 Food & Business Knowledge Platform report on social entrepreneurship for food security.

to consumers more effectively. They rely on new equipment, for food processing and solar energy generation for example, that are quickly becoming available through international trade.

A system-wide transformation of the agro-food economy is needed

The economic, social and environmental challenges facing African agro-food systems⁴ extend well beyond the conventional pillars of food security (availability, access, utilization and stability). They require a transformation of agro-food systems, of whole value chains and their relations with the social and natural environment, as well as the institutional arrangements and actors governing them. With few exceptions, the performance of African agriculture and rural economies has been impaired by a shortage of public investments for a long time. Incoherencies among public interventions in different policy areas have exacerbated that investment deficit. Focusing in turn on farm production, agricultural trade liberalization, and social services and transfers has come short of broad-based rural development and food security. Instead, a comprehensive approach, encompassing multiple policy areas—agriculture, industry, trade, infrastructure, labour, health and environment—is needed to simultaneously foster change in interrelated sectors and exploit synergies among policy areas.

Building on current economic, social and political changes, this transformation would have three dimensions:

- » A transition to sustainable agro-food systems, encompassing crops, livestock, fisheries and forests, to attain food security and nutrition goals and fulfill other human needs while preserving the terrestrial and aquatic ecosystems upon which agro-food value chains rely. The adaptation of African agro-food systems to climate change and their contributions to mitigation (on the basis of common but differentiated responsibilities and respective capabilities) is a crucial element of this transition.
- » The integration of human development and social cohesion goals into the agro-food economy, to deliver safe and nutritious food products to rural and urban consumers, thereby improving nutritional and health outcomes; to ensure remunerative incomes for farmers and rural workers; and to create

4 'A sustainable food system [is] a food system that ensures food security and nutrition for all in such a way that the economic, social and environmental bases to generate food security and nutrition of future generations are not compromised' (High-Level Panel of Experts on Food Security and Nutrition, 2017).

decent employment opportunities for the youth, thereby preventing marginalization and offering alternatives to emigration.

- » The structuration and modernization of African agro-food value chains, with efficiency gains, reduced post-harvest losses, improvements in the quality, diversity and convenience of food products, thereby responding to the consumption needs of urban centers, and expanded regional trading opportunities. The development of competitive value chains, which need not imply mass industrialization of agro-food production, can be a major source of new jobs at different levels of the value chain.

Difficult trade-offs between these three transitions will have to be managed. Recent quantitative studies indicate that, on the basis of current agricultural yield trends, a sizeable expansion of agricultural land or, alternately, intensification with greater use of inputs will be needed to meet projected world food consumption needs in 2050. Current gaps in yields and other measures of productivity between Sub-Saharan Africa and international benchmarks indicate that agricultural output in that region can grow through sustainable intensification. Yet, globally and in Africa, growth in agricultural and food processing sectors will cause additional biodiversity loss, greenhouse gases emissions and pollution. Thus a shift towards more responsible food consumption as well as feed, feedstock and fiber utilization will be another important element of this transformative agenda. Overcoming possible tensions between the profitability of farming, the competitiveness of agro-food industries and, on the other hand, social inclusion will be a difficult task too.

New and emerging pathways of change are to be pursued

The transformation described above calls for the deployment of new modes of action, led by African actors, with the backing of their international partners. The youth—almost two thirds of the African population is under 30—will be a leading actor of this agenda. Well-defined targets will have to be set and adequate resources mobilized. Some promising pathways of change are put forward here.

Increasing agricultural productivity, especially in Sub-Saharan Africa, remains a strategic objective, being a key determinant of farm household income and wellbeing, agro-industry competitiveness, and attractiveness for young agro-entrepreneurs. Investments in agriculture should focus on techniques and economic models that enable sustainable intensification. These would lead to greater efficiency in using mineral and organic fertilizers, converting feed into animal proteins and the “utilizing”

environmental resources. Improving farmers' access to and involvement in the generation of knowledge about farming techniques, farm management, environmental protection and marketing will be a critical factor for their successful participation in market-led, inclusive and nutrition-oriented value chains.

In many countries and sectors, the quality of local food products lags behind the preferences of urban consumers, especially the emerging middle class. Value chain actors will have to act collectively to improve food product quality and safety, by establishing rules and standards, upgrading the capacities of the weakest actors, and jointly investing in knowledge, technologies and marketing infrastructure. While enforcing basic market regulations, national and regional institutions will have to allow for more public-private dialogues, market incentives based on food quality, safety and sustainability, and new services provided by entrepreneurs.

Alliances among farmers, local SMEs, civil society organizations and international firms can be instrumental to develop technologies and establish responsible business models. Yet, to benefit from value chains and contribute to viable business relations with processors and distributors, family farms have to engage in organizations that strengthen their capacities, link them to markets, and increase their bargaining power. Those organizations can in turn create demand for services delivered by technology-savvy young entrepreneurs such as ICTs-based advisory, machinery rental services and agro-logistics. Helping those entrepreneurs to access resources will require innovative policies and better-fitted financing instruments.

Unlocking these pathways must be accompanied by a transformation of global, regional and local institutions to provide an enabling environment for inclusive and resilient agro-food markets and empower stakeholders pursuing business opportunities and social change in favour of food security, healthy eating and sustainable value chains. Institutional changes will require a more political approach recognizing and addressing the factors behind unsustainable food production and consumption practices, socio-economic inequalities, and policy failures.

Engaging and equipping the African rural and urban youth for leading initiatives in public service, business and civil advocacy should feature on the action plan. Traditionally top-down policies have shown their inadequacy in dealing with disparate territories. Local and purposeful development strategies and interventions should play a key role in the transformation of agro-food systems.