

Helping smallholders participate in the rise of agribusiness in Africa

During the third international foodFirst conference, which this year focused on how to team up with African "agripreneurs", FAO director-general José Graziano da Silva shared how agribusiness in Africa is poised to play a major role socio and economic development, but without policies and partnerships that enable smallholder farmers - including subsistence farmers and pastoralists - to participate in and benefit from the growth, that opportunity will turn into risk.



Neil Palmer via [Wikimedia Commons](#)

Noting that African agribusinesses are expected to create a \$1tn market by 2030, Graziano da Silva hailed the opportunities but emphasised the risks such rapid growth pose, especially if large-scale food processors and retailers manage to dominate the process.

While poor rural family farmers rarely do not participate in the agri-food value chain, they play a fundamental role in local markets and in mitigating food insecurity in areas where it tends already to be high. "These people should be taken into account when we talk about creating conditions for agricultural entrepreneurs to grow and thrive in Africa. Effectively achieving that is particularly challenging in Africa because smallholders there tend not to be organised into cooperatives or other forms of association that have helped their peers elsewhere integrate into modern agri-food chains.

"Cooperatives and other associations are the only way for providing family farmers with technical assistance, capacity building, financial resources and access to modern technologies. They are also important to promote closer cooperation between farmers and research institutions, to help smaller farmers gain a voice in policy-making and to provide extension and advisory services to their members," said Graziano da Silva during his keynote speech.

Graziano da Silva also called for an "urbanisation of rural areas" to better provide education, health, electricity, and internet access. Infrastructure investments, especially in roads and storage capacity would help to connect producers, agro-industrial processors and other segments of the value chains.

This would help to strengthen the links between small urban centres and their surrounding rural areas. And it would help to create jobs for an estimated 10 million young Africans that enter the labour market every year, not only in the traditional agricultural sectors, but in various non-farm activities.

Partnership with Rabobank Foundation

FAO has been working on boosting smallholder integration into modern value chains around Africa, notably in several benchmark projects done in partnership with the Rabobank Foundation, an independent organisation funded by Rabobank to help small-scale farmers and cooperatives in developing countries become economically independent.

In Tanzania, the two partners helped rice and cassava producer groups to scale up innovation in water, labour, storage and credit practices and achieve a more than eightfold productivity increase. Another joint project involves working with local microfinance lenders in Ethiopia with an eye to generating youth employment, while another cited project is bolstering local cooperatives with the aim of promoting conservation agriculture in Kenya.

Graziano da Silva met with Rabobank's board of directors and, with Berry Martin, vice president of the board, and signed a Memorandum of Understanding to renew and strengthen a partnership that [began](#) in 2013.

The agreement maps out several new projects. One hinges on using microfinance to foster youth entrepreneurship in horticulture, beekeeping and raising small livestock in Tanzania. Another seeks to scale up successful pilot programmes linking smallholder producer organisations in Ethiopia's Oromia region with credit providers. A third project is to leverage Rabobank's expertise to roll out a range of financial products tailored to the needs of rural young entrepreneurs in Uganda.

The two partners will also join forces to develop a learning platform to support using data for inclusive finance and food and ways to make information technology more useful to both smallholders and the institutions that lend to them.

Other possible areas of collaboration between FAO and Rabobank include work on reducing post-harvest losses in Africa's grain supply chains, supporting investments in energy-smart foods, cocoa-based sustainable agroforestry in West Africa and expanding Africa's "Great Green Wall".

Graziano da Silva concluded by saying that Africa's urbanisation makes an integrated approach with a strong focus on rural development even more critical, as there will be increased need to manage natural resources sustainably and to promote healthy diets even as people move to cities, where fast and processed foods tend to be more prevalent. "Governing Africa's development is not only about material things but also immaterial aspects of a food system."