

President of India to inaugurate 3-day Asia-Africa Agribusiness Forum
Sharad Pawar is also slated to address along with his counterparts from African and Asian
countries on February 4th
Need to make agri-business an efficient enterprise, raise farm productivity

NEW DELHI, January 30, 2014. Asia and Africa need to overcome the challenge of increasing agricultural production and productivity and making agri-business an efficient business enterprise capable of competing in the international market.

With this agenda, the **Ministry of Commerce & Industry, Ministry of Agriculture, Ministry of Food Processing Industries, Govt. of India and FICCI** are organizing **'Asia-Africa Agribusiness Forum'** at Hotel Kempinski Ambience, Delhi on February 4-6, 2014 to deliberate on the issues faced by the agriculture sector in Africa and Asia.

The three-day Asia-Africa Agribusiness Forum will be inaugurated by the **President of India, Mr. Pranab Mukherjee**, at the FICCI Auditorium on February 4, 2014.

Mr. Sharad Pawar, India's Minister of Agriculture & Food Processing Industries will address the Forum along with the Agriculture Ministers from Afghanistan, Cambodia, Chad, Cote d'Ivoire, Ethiopia, Ghana, Kenya, Liberia, Libya, Malawi, Maldives, Namibia, Rwanda, Saudi Arabia, Seychelles, South Sudan, Zambia and Zimbabwe and many other participating countries from Asia and Africa.

The highlight of the three-day Forum will be the technical sessions on Access to Market, Finance & PPP in AgriBusiness & Food Processing; We have turned it green: Contract Farming in Asia & Africa; Farms Inputs: Seeds, Agro-chemicals, Fertilizers & Irrigation – The story so far; My Food Processing Factory: Technology, Resources, Manpower or all? and Tilling my Land: Farm Mechanization Technology.

On the concluding day, sessions on Connecting the dots: Value Chain & Public Distribution System Gaps; State Partner Session and Roundtable on the Seeds Sector will be organized.

According to a **FICCI-PwC theme paper 'Unlocking the food belts of Asia and Africa'** there is huge potential for agri-business in the both the Africa and Asia, but growth of the sector depends upon policy environments, capacity and resources. The opportunities in the agribusiness sector have the potential to address various social and economical issues but there remain substantial barriers for growth of the sector.

The paper states that in Sub-Saharan Africa and most of Asian countries, agro-based industry needs a major transformation in order to generate more job opportunities, revenues and food for the growing population. Apart from the industrial transformation, farming techniques need improvement in order to offer good opportunities to a large number of small holder farmers who in turn could pave their way out of poverty.

The paper highlights that finance plays a crucial role in the development of agriculture sector, as it facilitates farm development, storage, transportation and marketing of agriculture produce. The importance of appropriate financing mechanisms for the developing agri-business and value chains in Africa and Asia should not be underestimated.

However, according to the FICCI-PwC paper, the finance sector in agriculture is seen as risky and with unattractive rate of return. Therefore, mobilizing both traditional as well as innovative sources of financing can be advantageous for agro-industrial development.

The paper suggests that to remain competitive in international market the agro-industries of both the continent needs to be agile, to adopt according to the frequently changing demand patterns and rapidly changing technology. Industrial transformation can be achieved by adhering to the changes in technologies in agriculture sector and the good news is that the environment for technological advancement necessary for the growth of agro-processing industry sector is favorable in both the continents. The rising demand offers immense opportunities for the agro-based industries of both the continent but the challenge lies with effective access to markets and maintaining stringent quality standards.

The report, however, pointed out that change in technology alone is not sufficient; there is a need for favorable business environment for strengthening agriculture and agri-business sector. In order to have an encouraging business environment, policy formulation by governments of both the continent should be on increasing the investment by private players which in turn could create autonomous business organizations to foster the growth in agro-processing sector. This will not only resolve the problem of coordination among producers and processors but also expedite the growth of agro-processing industry. This linkage between producers and processors will also ensure adequate supply of raw materials for the industry which is a critical factor for achieving overall growth and competitiveness in international markets.

The FICCI-PwC paper notes that the development of agri-business sector also requires a well established value chain since it is an important factor for matching specific standards, volume and continuous supply of raw material to entrepreneurs. An efficient value chain stimulates upgradation, effective technology transfer and public-private cooperation. In order to further develop agriculture sector and meet the growth and poverty reduction targets of Millennium Development Goals, African and Asian countries will have to support regional and local value chains and exploit the emerging opportunities in both domestic and international market.

The paper states that the liability of increasing investment and facilitating financing in agribusinesses lies with the policymakers. These policymakers, in order to make this sector more attractive, require a comprehensive investment-friendly strategy which could address major constraints in the value chains. Similarly, infrastructure is an important part of policy making. A reliable and adequate infrastructural system is essential for significant agro-industrial development. A weak infrastructure affects economic growth cost of transactions, innovations, diversification and competitiveness. Farmers within the rural areas, in particular, are most affected by their geographical isolation and associated transport constraints. In such regions, even marginal changes in infrastructural services have the potential to significantly accelerate productivity and diversification.

The African Development Bank is playing a key role in development of agri-business in Africa. Its agriculture financing strategy focuses on transactions which contribute to food security, promote transfer of skills and technologies, address the needs of local and/or regional markets, foster inclusive growth with local communities through outgrower schemes and SME business linkages and comply with the highest and most sustainable environmental and social practices.
