



Report of
ASIA-AFRICA
AGRIBUSINESS FORUM



The outcome report of the Asia-Africa AgriBusiness Forum is an endeavor to summarize the major deliberations at the Forum and charter the way forward for the Second Asia-Africa AgriBusiness Forum.



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PREFACE

Addressing the Golden Jubilee celebrations of Afro-Asian Rural Development Organization in New Delhi in March 2012, the Prime Minister of India laid special emphasis on promoting more investment and trade in agriculture between Asia and Africa and called upon India to take the lead role.

Agriculture has been a primary focus of the India-Africa economic engagement and was actively taken up at India-Africa Forum Summit, New Delhi, 2008 with the Action Plan mentioning not only training of agriculturists by India but also the exchange of seeds and planting materials, sharing of best practices in agriculture, capacity building in the rural sector and transfer of technology.

To tap the huge potential for building agribusiness linkages between Asia and Africa, FICCI in partnership with the Ministry of Commerce and Industry, Government of India organized the first ever "Asia-Africa AgriBusiness Forum" from Feb 04-06, 2014 at New Delhi.

The Forum was supported by the Ministry of Agriculture and Ministry of Food Processing Industries, Government of India. Asian Development Bank and African Development Bank also participated as support partners at the forum. The Institutional partners of the forum included Afro-Asian Rural Development Organization, Agrinnovate India, Export-Import Bank of India, Syngenta Foundation for Sustainable Agriculture and United National Development Program.

The Forum witnessed participation of Agriculture Ministers from Afghanistan, Bhutan, Botswana, Burundi, Cambodia, Kenya, Maldives, Namibia, Saudi Arabia, Seychelles, Sudan, Uganda, Zimbabwe and Zambia including delegates from Angola, Bangladesh, Democratic Republic of Congo, Ethiopia, Eritrea, Ghana, Kazakhstan, Nigeria, Madagascar, Malawi, Mali, Rwanda and Senegal amongst other countries from Asia and Africa.

The 3 day conference also showcased an Indian exhibition for 2 days and B2B meetings were organized for a day to bring all stakeholders in the agribusiness sector together for exploring opportunities of collaboration and new partnerships.

The forum was inaugurated by Shri Pranab Mukherjee, President of India. Shri Sharad Pawar, Minister of Agriculture & Food Processing Industries, Government of India delivered the keynote address at the forum and Smt. Preneet Kaur, Minister of State for External Affairs, Government of India addressed the Valedictory Session of the forum. Asia-Africa AgriBusiness Forum witnessed participation of 350 Indian delegates and more than 200 delegates from 25 countries of Asia & Africa.

It was proposed that Asia-Africa AgriBusiness Forum be organized annually to address various social and economic issues in both the continents such as employment generation, income generation, poverty reduction etc. The second edition of the Asia-Africa AgriBusiness Forum will seek to address the substantial barriers for growth of the sector to realize the goal of both continents to emerge as the food bowl of the world.



PREAMBLE

Asia and Africa not only offer immense business opportunities in the agri food sector but will be critical for the long term food security of the world. To tap the tremendous business opportunities between the two continents in the agriculture, agribusiness and food-processing sectors, FICCI in partnership with the Government of India organised the first ever Asia-Africa AgriBusiness Forum from February 04-06, 2014 in New Delhi.

Agriculture and food processing are the backbone of most economies in Africa and Asia and is central to economic growth and stability as well as livelihood generation. Agriculture will continue to play a central role in development and poverty alleviation in developing economies in an era of economic liberalization and globalization.

Estimates suggest that by 2030, agriculture and agribusiness industry will stand at about 3 trillion dollars in Africa and about 4.5 trillion dollars in Asia. Hence, there is a need to look at new practices and partnerships to multiply growth and make it sustainable.

Low inconsistent use of improved seeds and fertilizers are key factors in low yield. Greater technical partnership can yield wonderful results. Based on rich agricultural resources in Africa, Indian and Asian companies can form joint ventures for producing food grains, pulses and oilseeds for domestic use in Africa and for export.

Farm mechanization is another area for forging new partnership. India has achieved tremendous success in farm mechanization and can be the source of agricultural machinery like harvesting, earthmoving, tractors and sowing machinery. Indian companies are keen to partner with Asian neighbours and countries in Africa for manufacturing such equipment and other inputs.

Another opportunity is finance for developing agribusinesses. Various factors limit formal lending to such businesses in Asia and Africa. Lenders, investors and banks need to be creative in forming strategic partnerships. In India, credit supply has increased greatly through Regional Rural Banks and Rural Credit Cooperatives.

Upgrading infrastructure is also a high priority for jump starting agribusiness. Many investment opportunities for collaboration exist in the areas of irrigation, water conservation and roads. Public-private partnerships can be an interesting way to address this. Post-harvest management facilities, distribution frameworks and other facilities like packaging also offer opportunities for both the continents to tap the growth in the agribusiness sector.



There is a need to reform seed and fertilizer policies, regulations and especially reforming and supporting research systems, public and private to support location-specific yield production increases. Location-specific yield production increases needs to draw on the local ecosystem services which would guarantee a more sustainable increase in production. Similarly, encouraging sharing of best practices and integrating information technology to support communities through information hubs and knowledge dissemination at the grassroots can help in building the synergy for cooperation between Asia and Africa.

The forum was a unique endeavour to bring together the Government, entrepreneurs and institutions from across Asia and Africa for exchange of knowledge, technology, best practices and most importantly building long term partnerships for mutual growth. The report of the Asia-Africa AgriBusiness Forum is an endeavour to summarize the major deliberations at the Forum and charter the way forward for the Second Asia-Africa AgriBusiness Forum.

OPENING SESSION



Mr. Sharad Pawar, Minister of Agriculture and Food Processing Industries, Government of India along with his counterparts from countries of Asia and Africa and Mr. Sidharth Birla, President FICCI and Chairman, Xpro India Ltd at the opening ceremony of Asia–Africa AgriBusiness Forum, Feb 04-06, 2014, Kempinski Ambience Hotel Delhi

Responsible investments' by Asian countries can beef up African agriculture and drive employment without sacrificing domestic food security. This was the message that emerged from the opening session of the Asia-Africa AgriBusiness Forum.

Highlighting this imperative, Mr Sharad Pawar, Minister of Agriculture & Food Processing Industries, Government of India's keynote address outlined the urgency of carrying forward the agenda of food and nutrition security in a market driven environment. He stressed on the need to focus on skill development and income generation opportunities for youth in two of the world's most populous and geographically diverse continents which are also emerging as the new drivers of economic activity.

The session dwelt on the increasing focus in both Asia and Africa from core agriculture to increasing production and productivity and to profits and profitability for ensuring that farmers' incomes keep pace with those in the manufacturing and services sector. In Asia, more than 2.2 billion people directly or indirectly depend on agriculture for their livelihood. The Asian countries together constitute more than 60 per cent of the world's population and heavily depend on agriculture to meet an ever-increasing food demand.

Asia has made remarkable progress in agricultural production while dealing with an increasing population and a resultant increase in the food demand. Food production has increased at a rate higher than the growth in population largely on account of introduction of high yielding varieties for cereals, better

irrigation facilities and fertilizers, besides support for credit and an assured support price. The first steps in this collaboration could be by replications the learning of Asia in Africa which will lead to plenty of opportunities for responsible investment by Asian countries in Africa.

One of major challenges is the low productivity in agriculture in Africa which is a major barrier to the development of the agribusiness sector. Africa has 733 million hectares of arable land, which accounts for 27.4 per cent of the total arable land in the world. Currently, only 183 million hectares of land is under cultivation in Sub-Saharan Africa. Asian countries can use these opportunities for investment in the African region to promote agricultural growth, diversification and employment without compromising on domestic food security given their successful experiments.

The session highlighted how Asia, despite having a huge population is heavily dependent on agriculture. Farm output in Asia has increased at a rate higher than the growth in population largely on account of introduction of high yield varieties for cereals, better irrigation facilities and fertilizers, support for credit and an assured support price.

India's tryst with agricultural development and its experience of becoming the hub of global agri production in rice, wheat, milk, livestock, bovine meat, sugar and horticulture products can be translated into opportunity for Africa to make its agriculture sector productive and profitable. Indian farmers who are entrepreneurs, risk takers, great innovators and adaptors have demonstrated ability to tide over losses in terms of trade and in transactions on account of several factors related to size, scale and access to technologies, inputs and markets.

The synergy of such skills and these factors as in the milk, sugarcane and fertilizer sectors, has led to the creation of organizations like Amul, a dairy cooperative model and IFFCO which are global brands and leaders in their respective domains.

India has also started promoting farmer producer organizations by providing equity and credit guarantee support and strengthened the Small Farmers AgriBusiness Consortium, a specialised body that provides professional, financial and technical assistance to small farmers and their organisations, besides encouraging agri entrepreneurship.

The participation of multi-lateral organisations like Food & Agriculture Organisation of the UN (FAO), International Fund for Agricultural Development (IFAD), World Food Programme (WFP) and Afro-Asian Rural Development Organization (AARDO) helped in developing broad consensus on major issues. Their role in carrying forward these ideas are strengthened by the exemplary contribution made by them; FAO in securing a hunger free world; IFAD in improving livelihood; WFP in providing relief and humanitarian assistance during emergencies and AARDO for ushering in co-operation among the member countries.

The Asian Development Bank (ADB) and African Development Bank (AfDB) too have stimulated growth in agriculture and allied sectors, thereby providing innumerable opportunities for entrepreneurship and growth.

The exhibition set up by FICCI, as part of the forum, showcased state-of-the-art technologies, best practices and innovations across the entire value chain of agriculture, food and food processing was hailed as marking a step forward in building new partnerships and collaborations across the nations represented, thus paving the way for promotion of agribusiness between the two continents.

The lively and interactive session was an enriching experience for the participants. The discussions were meaningful and will help build the emerging dialogue between the two continents with a catalytic role for India.



Mr. Pranab Mukherjee, President of India inaugurating Asia-Africa AgriBusiness Forum at FICCI Auditorium on Feb 04, 2014 along with Mr. Sidharth Birla, President FICCI and Chairman, Xpro India Ltd and Ms. Jyotsna Suri, Senior Vice President, FICCI & Chairperson & Managing Director, Bharat Hotels Ltd



(L to R) Mr. Sidharth Birla, President FICCI and Chairman, Xpro India Ltd, Mr. Pranab Mukherjee, President of India & Ms. Jyotsna Suri, Senior Vice President, FICCI & Chairperson & Managing Director, Bharat Hotels Ltd at the Inauguration of Asia-Africa AgriBusiness Forum at FICCI Auditorium on Feb 04, 2014

SESSION 1: MINISTERIAL SESSION: ASIA & AFRICA PARTNERSHIP

Theme: For the agrarian economies of Asia and Africa, agriculture and food processing are the mainstay in terms of income and employment. After years of neglect, agri business is once again capturing the attention of governments, business leaders, communities, and development donors, as a powerful driver of growth. This session highlighted the scope for South-South cooperation to support each other in attaining the goal of food security, strengthening value chains and poverty alleviation.



(L to R) H.E. Mr. Mohammad Asif Rahimi, Minister of Agriculture, Ministry of Agriculture, Irrigation and Livestock, Government of Afghanistan, H.E. Mr. Lyonpo Yeshey Dorji, Minister of Agriculture, Ministry for Agriculture and Forests, Government of Bhutan, H.E. Mr. Christiaan de Graaff, Minister of Agriculture, Ministry of Agriculture, Government of Botswana, H.E. Ms. Kayitesi Odette, Minister of Agriculture, Ministry of Agriculture & Livestock, Government of Burundi, H.E. Mr. Mam Amnot, Secretary of State, Ministry of Agriculture, Forestry and Fisheries, Government of Cambodia, H.E. Mr. Felix K Koskei, Cabinet Secretary, Ministry of Agriculture, Livestock and Fisheries, Government of Kenya, H.E. Dr. Mohamed Shainee, Minister of Agriculture, Ministry of Fisheries and Agriculture, Government of Maldives, H.E. Mr. John Mutorwa, Minister of Agriculture, Ministry of Agriculture, Water & Forestry, Government of Namibia, H.E. Dr. Khalid Bin Mohammed Al-Fuhaid, Deputy Minister of Agriculture, Ministry of Agriculture, Government of Saudi Arabia, H.E. Mr. Ibrahim Mahmoud Hamid, Minister of Agriculture, Ministry of Agriculture, Government of Sudan, H.E. Mr. Greyford Monde, Deputy Minister of Agriculture, Ministry of Agriculture & Livestock, Government of Zambia, H.E. Mr. Joseph Made, Minister of Agriculture, Ministry of Agriculture, Mechanization and Irrigation Development, Government of Zimbabwe

With agriculture and food security now occupying centre-stage in the political economy of nations, the ability of a nation to ensure food and nutrition security at affordable and stable prices in an ecologically-sustainable manner will be critical in future. This session highlighted some Asian and African cases where these imperatives are opening doors of collaboration between Asian and African countries.

Afghanistan, known for producing some of the finest fruits, especially pomegranates, apricots, grapes, melons, mulberry and pistachios, despite making remarkable progress in irrigation has over 60 per cent of



water wastage. The Government of Afghanistan is keen to develop a technologies to harness water to its full utilisation and is also exploring high value horticulture, livestock, especially dairy, all of which offer sound business proposition.

In Bhutan, the development of the food processing sector is hampered by the lack of advanced technology. The country still makes use of traditional methods for farming which affects Bhutan's ability to compete in production with other countries in the region. Asian countries can partner Bhutan in investment in technology for their farm produce and packaging of natural products.

In Cambodia, where the Government is improving productivity through diversification, commercialisation and promotion of livestock and aquaculture, private investors are being encouraged to invest in agribusiness with incentives and investment in basic physical infrastructure such as irrigation and rural roads.

Africa too is offering success stories to investors who want to explore the possibilities in agribusiness. Botswana, where more than half of the population is engaged in crop and livestock farming, opportunities for cooperation range from food production, ploughing and planting and effective water harnessing. Namibia, besides being a leader in livestock production, also has various projects in the agricultural sector emphasising on drainage system, latest technology, and hybrid seeds. The private sector in Namibia is being encouraged to explore opportunities in production of various crops in PPP mode and in managing and utilizing the agro-processing industry.

The Government of Kenya is focussing on value addition to farm produce and is keen to shift to exports of final processed products. Kenya offers investment opportunities in deep sea fishing and livestock. Maldives, known for its fisheries is promoting sustainable fishery and looking to diversify in aqua and marine culture as climate change and global warming is affecting this sea-bound nation. Sudan, identified by the Food and Agriculture Organisation as a key player in global food security offers scope in agribusiness enterprise. Huge opportunities exist in oil crops production; logistics linkages for best utilization of resources and investment in infrastructure like roads in Sudan.

Representatives from Zambia, a leading producer of maize, identified farm input support programmes, promotion of farm blocks, aquaculture, cashew nut, tobacco, palm oil production as potential areas for PPP initiatives. While Zimbabwe, a primary exporter of raw materials is inviting investments along the value chain in both forward and backward linkages, Uganda is inviting technology transfers help in agro and food processing sectors to produce value added products from its primary produce.

This session with its focus on the possible partnerships between Asian and African governments and businesses was an eye-opener. Emerging economies are increasingly looking forward to revamping the farm sector to achieve inclusive, economic growth in a sustainable manner and this has made cooperation among this cluster of countries an imperative. The session drove home this point effectively.

SESSION 2: ACCESS TO MARKET, FINANCE & PUBLIC PRIVATE PARTNERSHIPS

Theme: Strong links to markets for poor rural producers are essential in increasing agricultural production, generating economic growth in rural areas and reducing poverty. Access to finance allows small producers to undertake productive investment to expand their farming business and to acquire the latest technologies, thus ensuring their competitiveness. The session focus was on improving knowledge for access to markets and develop market based solutions for agricultural development.



(L to R) Mr. Advait Chaturvedi, Executive Director, Overseas Infrastructure Alliance, Mr. Kevin Chan, Senior Research Fellow, International Food Policy Research Institute, Asian Development Bank, Mr. Matsuo Takashi, Director, Environment, Natural Resources and Agriculture Division, Asian Development Bank, Mr. Pranjal Sharma, Advisor, Corporate Strategy, Prasar Bharati, Mr. Neeraj Vij, Chief Investment Officer & OIC, African Development Bank, Mr. Prahalathan Iyer, Chief General Manager, Exim Bank of India, Mr. H R Dave, Chief General Manager, Corporate Planning Department, National Bank for Agriculture and Rural Development (NABARD)

The session underlined the increasing importance of value chains in promoting strong linkages to markets and sources of finance. Almost 95 per cent of the Asian food economy is domestic and nearly 50 per cent of the staple price is formed by post-farm-gate segments. In view of this, it is imperative to develop a pro-small-holder agricultural value chain (AVC) in order to improve processes, products, productivity and partnerships that will allow farmers to increase their incomes and integrate the smallholder farmers into higher-value, integrated markets.

In Asia, development and support to AVCs is being driven by key lessons like the need to adopt a comprehensive approach to policy, regulatory, and institutional reform, need to identify infrastructure



requirements, develop business models for including smallholders in value chains and develop business models for private sector investment.

The result is that Asia has taken a big leap in the AVCs model. More than 9,000 structured interviews with various stakeholders along rice and potato value chains in Bangladesh, China, India, Laos DRC, and Vietnam revealed that a “Quiet Revolution” led by grassroots investments of small/medium firms is taking place in the midstream segments of the supply chains. Even rice mills in Bangladesh and China are making big investments in scale (consolidation) and technology upgradation to develop this value chain.

The panellists agreed on the key lessons drawn by Asian Development Bank to support AVCs in Asia: a need to adopt a comprehensive approach to policy, regulatory, and institutional reform to address key constraints for AVC development; there is a need to base design parameters for value chain projects on the drivers of commercial agriculture such as market demand and develop business models for private sector investment and support to AVCs.

The session then moved to the other driver of agribusiness – access to finance, where increasingly greater involvement of development banks in pushing agribusiness in Asia and Africa was discussed.

The African Development Bank (AfDB) has identified key priorities like inclusive growth, green growth, private sector development, regional integration, and governance as part of its strategy for agriculture. The Bank is assisting African Governments' to improve the enabling environment for the private sector and create a catalytic and demonstration effect by assisting governments and entrepreneurs with specific transactions in infrastructures, industries and services and financial intermediation. AfDB has been supporting large projects like ADDAX Bio-energy project and BAGAMOYO Sugar project promoting linkages between commercial players and smallholder farmers.

Similarly, Exim Bank of India has been lending to African countries to assist them in developing infrastructure and promoting mechanisation through commercial Lines of Credit (LOCs) to various financial institutions and other entities in Africa. The National Bank for Agriculture and Rural Development (NABARD) too is involved in funding and capacity building in Africa.

The broad conclusion was that Governments' need to play a key role in facilitating the creation of an enabling infrastructure to promote agribusiness. It is also important to customize agric models as the same model cannot be applied across different regions. On the issue of which would work better – subsidies or risk capital – it became clear that there was no single solution; while subsidies work in some situations, risk capital is more effective in others since production subsidies in developed countries are different from the subsidies extended in the developing countries.

SESSION 3: WE HAVE TURNED IT GREEN: CONTRACT FARMING IN ASIA & AFRICA

Theme: Contract farming can be understood as a firm lending “inputs” – such as seed, fertilizer, credit or extension – to a farmer in exchange for exclusive purchasing rights over the specified crop. It is a form of vertical integration within agricultural commodity chains so that the firm has greater control over the production process and final product. This session highlighted the scope, benefits and apparent risks of contract farming.



(L to R) Mr Siddharth Chaudhary, Managing Director, Radikal Foods Limited, Mr Puneet Singh Thind, Founder & General Manager, Thind PLC, H E Mr Ibrahim Mahmoud Hamid, Minister of Agriculture, Ministry of Agriculture, Government of Sudan, Mr Sanjeev Chopra, Joint Secretary, Ministry of Agriculture, Government of India, H E Mr Felix Koskei, Cabinet Secretary, Ministry of Agriculture, Livestock and Fisheries, Government of Kenya and Mr Fantahun Mingistu, Director, Ethiopian Institute of Agriculture Research, Government of Ethiopia

Despite years of liberalisation, entering into a farming business in India is a cumbersome task due to various governmental legislations, acts and unavailability of land. This view emerged strongly during the deliberations wherein the private sector came out strongly favoured backward integration for the setting up of agribusiness overseas.

Contract farming is crucial to food security given that the demand for food has been increasing across the globe. Africa has huge amount of uncultivated land available for farming but lacks technology while India has limited land and plenty of farm knowledge which it can offer along with modern mechanization and expertise. Both India and Africa could build synergies to work in cooperation towards attaining food security in a way as to benefit local farmers in terms of employment opportunities.



Participants agreed that several elements were required to make contract farming a successful venture such as setting up an agri-management companies to understand local conditions relating to crop requirements, agri-climate conditions, credit facilities, etc. Africa has tremendous amount of land available for farming but lacks investment, machine produce and skilled labour. Training programmes should be organized for local farmers to spread awareness about contract farming and Governments' need to encourage role of farm operator/management companies to bring efficiency to the agribusiness.

In this context, panellists shared some examples of contract farming in African countries. Sudan which has had a long tradition of contract farming has developed a strong base in sugar factories. Sudan has also improved credit facilities along with nationalized banks which can provide inputs to farmers on a consortium basis supplemented by a suitable climate. This model could be emulated in Kenya where contract farming is seen as a solution to the challenges faced by the agri business sector such as high cost of credit, high cost of fertilizers, seeds and chemicals and limited access to market. Cost of financing is also a major constraint for the agribusiness in Kenya but Kenya is in process of reforming the financial sector to overcome this limitation.

Elsewhere in Ethiopia where more than 85 per cent of the population depends on agriculture, a investor friendly climate for contract farming has helped in encouraging using unutilized land for farming. Ethiopia's agricultural practices have ensured that labour intensive industries are promoted near the urban city where it's easy to find abundant labour while capital intensive industries have been promoted near the rural cities. Ethiopia has improved sources of credit facilities to provide inputs to farmers and encourages private investors and farmers to use modern technology. Ethiopia has several successful examples of contract farming in the production of organic foods.

The session closed on the note that with the emergence of contract farming as a viable model in Asia and Africa, there was an urgent requirement of skill education and investments in agricultural practices, capacity building and organizing skill development programmes.

SESSION 4: TILLING MY LAND: FARM MECHANIZATION TECHNOLOGY

Theme: Farm mechanization is an important element of modernization of agriculture. Farm productivity is positively correlated with the availability of farm power coupled with efficient farm implements and their judicious utilization. This session highlighted crucial breakthroughs achieved in mechanizing agriculture in Asia and Africa, the need to ameliorate the problems of fragmented land, lack of technical know-how and labor shortage.



(L to R) Mr. Rajiv Wahi, President, International Business, International Tractors Limited, Mr. Nabhash Chandra Mandal, Executive Member, Board of Investment and Additional Secretary to the Government of Bangladesh, Mr. Pranjal Sharma, Advisor, Corporate Strategy, Prasar Bharati, H E Kayitesi Odette, Minister of Agriculture, Ministry of Agriculture & Livestock, Government of Burundi and Prof. M. Moni, Director, International Agriculture Consulting Group (IACG)

Across Asia and Africa, as this session revealed, agricultural development and practices were showing that mechanization has not only enables efficient utilization of various inputs such as seeds, fertilizers, plant protection chemicals and water for irrigation but also helped in poverty alleviation by making farming an attractive enterprise.

The session highlighted the emergence of farm mechanization as a potential area for partnerships between Asian and African with the example of India as a model. India has achieved considerable success in farm mechanization such as harvesting, earth moving, tractors and sowing machinery.



Indian companies are keen to partner with Asian neighbours and countries in Africa for manufacturing such equipment and other inputs. India with its expertise in IT/ITeS has an opportunity to offer software base and capabilities in farm mechanisation. Another new technology being used to improve farm production is water lifting which India is willing to share with partner countries in Asia & Africa.

The other big opportunity for partnership is use of solar power for farm mechanisation. India's success in solar power and its new vision in renewable energy is ideally suited for experience sharing with countries in Asia and Africa.

Tractors offer another great avenue for tie-ups and collaboration between Indian and partner countries of Asia and Africa. Countries like Kenya are planning to mechanise its agriculture and are seeking Indian help for farm equipment to bring down production costs. Currently, Kenya has around 15,000 tractors with the requirement for almost 100,000 tractors. Indian companies like TAFE, Sonalika with cutting edge technologies can jointly work with the countries in Asia & Africa seeking farm mechanisation by introducing viable models of tractors.

Bangladesh is also focussing on farm mechanisation. Currently, agriculture in Bangladesh contributes 19 per cent to the economy. The consistent growth in agriculture is attributed to the development of private entrepreneurship in Bangladesh which has given an impetus to adoption of mechanisation, improved power supply to irrigation and ultimately to a significant rise in agricultural production. Farm mechanisation thus holds a big opportunity for investors in Bangladesh.

The session drove the message that a focus only on tools or inputs cannot bring about a green revolution. Mechanisation and judicious utilization of seeds, fertilizers, plant protection chemicals and water can make farming an attractive enterprise and bring about crucial breakthroughs in agricultural growth in Asia and Africa.

SESSION 5: FOOD PROCESSING: TECHNOLOGY RESOURCES, MANPOWER OR ALL?

Theme: Combined opportunities of export and domestic markets offer a strategic opportunity for the integration of agriculture and agro industrial supply system. The food processing sectors of Asia and Africa are still in the initial stages of growth, though they have all the ingredients to emerge as the leading food supplier to the world. The session took stock of how the food processing sectors in Asia and Africa can develop the potential and emerge successful.



(L to R) Mr. Shafiq Hakimi, Acting Director, Ministry of Agriculture, Irrigation and Livestock, Government of Afghanistan, Mr. Rama Prasad Banerjee, Chairman, SSP Private Limited, H.E Ms. Gennet Zewide, Ambassador Extraordinary and Plenipotentiary, Government of Ethiopia, Mr. Siraj Hussain, Secretary, Ministry of Food Processing Industries, Government of India, Amb. George William Kayonga, Chief Executive Officer, National Agricultural Export Board, Government of Rwanda, Dr Saikat Datta Mazumdar, Chief Operating Officer, International Crops Research Institute for the Semi-Arid-Tropics (ICRISAT), Mr. Ambuj Chaturvedi, Executive Director, Overseas Infrastructure Alliance.

Representatives from African countries as well as entrepreneurs in India discussed the food processing sectors in Asia and Africa. There was consensus that despite the sector offering immense potential for growth and employment in developing countries of Asia and Africa, handicaps such as poor processing and lack of preservation methods and facilities have resulted in huge wastages. The panellists agreed that being the sunrise sector; food processing needs an impetus to unleash its potential.

Africa has tremendous scope for benefiting from the development of the food processing industry. India can provide training in post-harvest management of different crops and provide assistance in developing packaging technology in line with world standards.



There are opportunities to be explored across both the continents. For instance Afghanistan despite achieving progress in increase in production faces huge gaps in the value chain. The Government of Afghanistan is inviting trade and investment in milk processing and oil crops to harness the high yield in the agriculture produce.

In Ethiopia, the most food secured nation in Africa, farmers not only produce for self-consumption but also for the market and the output has greatly diversified over the years ranging from grains, floriculture, horticulture, strawberries, papayas and maize. However, lack of processing facilities has hindered the growth of the sector. Ethiopia is keen to invite technological intervention and receive investments in the food processing industry.

Ethiopia is also heavily investing in the development of infrastructure, railways, dams, training institutes and skills to ensure an investor environment for foreign investment. Indian companies such as Kanoria Chemicals and Overseas Infrastructure Alliance which have made significant investments in Ethiopia have received immense support from the Government of Ethiopia.

Rwanda has also identified agriculture as a priority sector with focus on ensuring food security. With the changing demand and supply and consumption patterns, there is a huge potential for processed food in the country. Rwanda is seeking investments and has created a positive investment climate in the country which is reflected by the country's impressive ranking on ease of doing business.

The session also highlighted the stellar role being played by the International Crops Research Institute for the Semi-Arid-Tropics (ICRISAT) in developing the food processing sector. ICRISAT has set up various food testing laboratories in African countries as a part of its South-South policy. ICRISAT is working on an inclusive market oriented development model through its business incubators in food processing sector.

The session also deliberated on the lack of skilled manpower available in the food processing sector as a major impediment. The panellists highlighted that the lack of skilled manpower is a major constraint on competitive commercial agriculture and agribusiness. With few exceptions, vocational and university programs require a major overhaul to focus on unmet demand from the private sector for operational, technical, and managerial skills.

Experiences with developing entrepreneurship through training in business models and practical hands-on training could also help unleash a new generation of entrepreneurial farmers.

SESSION 6: FARMS INPUTS: SEEDS, AGRO-CHEMICALS, FERTILIZERS, IRRIGATION

Theme: Increased productivity comes from the use of improved quality of inputs. More investment is required from government and private sector to make quality agriculture input easily accessible and affordable to farmers. The session had a focus on ways to increase agricultural productivity in Asian and African countries and review of investment requirements in agriculture input sector.



(L to R) Mr. Gopikrishna S. R., Campaign Manager, Greenpeace India, Mr. Peter Kenmore, Country Director, Food & Agriculture Organisation of the UN, Mr. Sanjeev Asthana, Chairman, National Skills Foundation of India, H E Greyford Monde, Deputy Minister of Agriculture, Ministry of Agriculture and Livestock, Government of Zambia, Mr. Vinod Kumar Gaur, Chairman & Managing Director, National Seed Corporation, H E Zebubabel Nyiira, Deputy Minister of Agriculture, Ministry of Agriculture, Animal Industry & Fisheries, Government of Uganda

Access to food remains the biggest challenge in Africa which has the world's largest malnourished poor and in Asia which has two thirds of the world's malnourished population. The panellists agreed that though state sponsored food delivery systems have proliferated in both continents, most countries lack food security network. Countries that have developed dynamic seed as well as fertiliser sectors such as India and Thailand, have seen annual yield gains for rain-fed crops of 2 to 3 per cent since 1990, compared to about 1 per cent in Sub-Saharan Africa.

Factors such as low, inconsistent use of improved seed as well as fertilizer, remains the single most important factor for the low yields in the African and Asian countries. The fertiliser gap has grown in the first decade of the 21st century, since the intensity of fertiliser use in Africa has declined. Low fertiliser use



not only constrains yields in the present, but causes them to decline in the future, since soil nutrients are continually mined.

A top priority in Africa is to reform seed policies and regulations. For this, it is important that input systems be backed by a dynamic research system with the ability to develop and adapt new technology to local conditions and demands.

The potential maize seed market in Africa is around 430,000 tonnes, with a value of at least \$ 500 million. Only 100,000 tons are currently produced. The production and the distribution of agricultural inputs are primary opportunities for agribusinesses (local as well as foreign) to form partnerships in Asia and Africa.

Likewise, Africa is unable to meet its agricultural growth targets without increasing fertiliser consumption from its current 1.5 million nutrient tonnes annually to at least 4.5 million tonnes by 2015. Currently, the market for fertilizers is estimated to be worth over 5 billion USD in Africa. Hence, countries from Asia can form a strategic partnership with the African countries so as to make accessibility of farm input easy and efficient; thereby not only benefiting the African countries, but also facilitating the expansion of their agriculture input industry.

More investment is required from government and private sector to make quality agriculture input easily accessible and affordable to farmers. This applies to both Asian and African countries were agreed by the panellists at the end of the session.

SESSION 7: VALEDICTORY: WAY FORWARD FOR AGRIBUSINESS & FOOD PROCESSING

Themes of the Session:

The potential and opportunities in Asia & Africa

Coming together of Asia & Africa



(L to R) Smt. Preneet Kaur, Minister of State for External Affairs, Government of India, Mr Siddharth Chaudhary, Managing Director, Radikal Foods Limited, Dr. William D Dar, Director General, International Crops Research Institute for the Semi-Arid-Tropics (ICRISAT), Mr Ashish Bahuguna, Secretary, Ministry of Agriculture, Government of India, Mr Vikramjit Singh Sawhney, Corporate President, Sun Group of Industries, Dr. S. Ayyappan, Director General, Indian Council of Agricultural Research (ICAR), H.E Eng. Wassfi Hassan El-Srehin, Secretary-General, African-Asian Rural Development Organisation

This session saw a wide representation of people from industry and government and experts belonging to India and other Asian and African countries. Mrs Preneet Kaur, Minister of State for External Affairs, Government of India emphasized that India has the potential to emerge as an attractive agribusiness destination.

Agriculture and agribusiness sector in India have been a top priority by virtue of employing almost two thirds of India's population. Agriculture and allied sectors in India employ 1.6 billion direct employees and accounts for 13 per cent of the country's exports and 6 per cent of industry investment. The way forward for India is by liberalizing its policy and enabling foreign players to enter as the sector to enable new opportunities and stronger growth.



The session earmarked some of the challenges that agriculture sector is facing in Asia and Africa i.e. mechanization of farm inputs, lack of public-private partnership, lack of water and irrigation management, diversification of agriculture and mismatch between demand and supply policies. Thus in Asia and Africa to bring out the real potential of agriculture, three areas that require attention are technology, practices and markets.

In Africa, adoption of modern technology will help in significantly enhancing productivity with farmers having the means to access the markets to realize actual benefits for the farm produce. Asia and Africa should work collectively to expand agribusiness in both the continents.

Looking ahead, India and Africa jointly emphasized the importance of harnessing the latest scientific research for raising productivity, for the conservation of land and the environment in order to ensure food security for our people, and to bring down the rising cost of food items so as to make food affordable for all. Realizing the full potential of the huge business opportunities that are available in agribusiness will cater to the needs of the majority of over two billion people of Africa and India.

There was consensus that as agricultural practices provide livelihood to majority of population in every country, governments should promote input and seed management in farming in both the countries to bring efficiency in the production.

In this session, India and Africa reaffirmed their commitment to work together for increasing agricultural output and achieving the Millennium Development Goal of halving the proportion of people who suffer from hunger and malnutrition by 2015.

Panellists and ministers also appreciated FICCI for organizing the first ever Asia-Africa AgriBusiness forum and the hard work put in to organize such a unique endeavour. The panellists stressed that the form will enable both continents to share both knowledge and inputs with ease for sustainable growth and collaboration in the agribusiness sector.

SESSION 8: CONNECTING THE DOTS: VALUE CHAIN & PUBLIC DISTRIBUTION SYSTEM GAPS

Themes: Value chains are a key framework for understanding how a product moves from the producer to the customer. The value chain perspective provides an important means to understand the business-business relationships, mechanisms for increasing efficiency, and ways to enable business to increase productivity and add value. This session drew attention to sharing of opportunities in the value chain system in Asia and Africa and minimizing leakages in the public distribution system.



(L to R) Mr. Stanlake Samkange, Director of the Policy, Programme and Innovation Division of the World Food Programme (WFP), Captain Pawanexh Kohli, Chief Executive Officer, National Centre for Cold-Chain Development, Government of India, Mr. Ashok Sinha, Former Secretary, Ministry of Food Processing Industries, Government of India

One of the key takeaways from this session was to drive agri business development by upgrading informal value chains and linking them to formal value chains. This was essential as in both Asia and Africa since value chains are a vehicle for pro-poor initiatives for linking small businesses with the market. The panellists agreed that leakages in a public distribution system cannot be addressed unless the gaps in the value chain are addressed locally.

Indian experts pointed out that India was at the nascent stage of setting up value chains and was currently in the process of efficient and cheap distribution. To set up a modern value chain, India faces challenges of reducing wastages, ensuring sufficiency of production and sufficiency of nutrition and focusing on storage, processing and transportation.



With regard to the value chain, three major issues were thought to be important to address for the sector to grow. The first issue is technology enhancement, adaption and adoption which is one of the critical areas as Africa lags behind in technology and could take advantage of India's expertise.

Second is sharing of best practices, which needs improvement and capacity building and third is marketing where different strategies and different players are needed for value addition to products, quality of products and consumers have to be made a part of the value chain.

The session concluded by highlighting opportunities of sectoral cooperation between India and Africa in setting up agriculture value chains like seed incubators, modern laboratories and joint projects. This may be the precursor of an enhanced partnership in agriculture to achieve food and nutrition security, promote entrepreneurship and create a trillion-dollar food market by 2030.

SESSION 9: STATE PARTNER SESSION: KARNATAKA

Themes: Achievements and way forward for Protected cultivation of fruits and vegetables, Coffee: Opportunities for growth and Challenges, Sericulture: Growth opportunities



(L to R) Mr. Umesh C Bagur, General Manager, Karnataka State Agricultural Produce Processing and Export Corporation Limited, Dr. G. K. Vasanth Kumar, Special Secretary (Agriculture, Food Processing and Harvest Technology), Government of Karnataka, Dr. Vishakanta, Managing Director, Karnataka State Agricultural Produce Processing and Export Corporation Limited, Mr. R. Ravindra, Deputy General Manager, Karnataka AgriBusiness Development Corporation

In Karnataka, agriculture is predominantly rainfed as the state has the second largest dry land in India. The state has tremendous opportunities in the agribusiness and food processing sector. Karnataka is among the largest producers of sugarcane, spices, cotton and maize in India. Horticulture is an upcoming sector that significantly contributes to the state GDP.

Karnataka needs an integrated approach in agri-business. The government has been addressing infrastructure requirements by construction of food parks, agribusiness investment regions (abir), greenhouse environment cultivation and others.

Certain challenges faced by the state include dry land management, watershed management, and micro irrigation which needs adequate mechanism to address these issues. In case of fisheries, the panellists agreed that traditional ways should be discarded to adopt modern inland fishing methods.

Development of food parks, agribusiness investment regions to address the issue of infrastructure, integrating backward and forward linkages, highlighting innovations like greenhouse cultivation, growing exotic cultivation are some of the ways forward for the state that were agreed by the panellists.

SESSION 10: ROUNDTABLE ON THE SEEDS SECTOR

Themes: The yield gap for most crops grown by small-holder farmers in African & Asian countries is striking when compared with farming elsewhere in the developing world, including India. This Roundtable dwelt on the exciting opportunity to link Indian breeding and seed technology with Asian & African seed companies and distributors, as well as adapting proven Indian seed technology.



(L to R) Dr Ian Barker, Head, Agricultural Partnerships, Syngenta Foundation for Sustainable Agriculture, H.E Zerubabel M. Nyiira, Deputy Minister of Agriculture, Ministry of Agriculture, Animal Industry & Fisheries, Government of Uganda, Ms. Radha Singh, Former Secretary, Ministry of Agriculture, Government of India, Mr. George Marachera, Business Development Manager, African Agricultural Technology Foundation, Mr. Rajeev Upadhyay, Senior Manager, International Business, Nuziveedu Seeds Limited

Quality seed of new varieties is available for less than 1-10% of the acreages planted and this failure (alongside fertilizer use) represents the single most important factor in tackling the so-called yield gap in Asia & Africa.

Bridging the seed gap is an imperative and the Indian experience has lots to offer to Africa. The session discussed Indian breeding and seed technology with Asian & African seed companies and distributors and spoke about adapting proven Indian seed technology.

India's breeding programme is very strong and common crops and comparable agro-climatic conditions make it even easier to meet seed requirement of Africa by Indian seed companies.



There are two ways by which Africa can benefit. Indian seed companies can export the promising seed products in African countries. African Government can invite the reputed seed companies for future alliance and handholding at the start-up of African operation through PPP mode.

The session emphasised on building linkages between Indian technologies with that of Asian and African countries on breeding and seeds.

INDIAN EXHIBITION

Mr. Sharad Pawar, Minister of Agriculture & Food Processing Industries inaugurated an Indian exhibition of agribusiness on the side-lines of the Asia-Africa AgriBusiness Forum on Feb 04, 2014.



(L to R) Mr. Sharad Pawar, Minister of Agriculture and Food Processing Industries, Government of India inaugurating the India exhibition at Asia–Africa AgriBusiness Forum along with Mr. Sidharth Birla, President FICCI and Chairman, Xpro India Ltd and Mr. Siraj Hussain, Secretary, Ministry of Food Processing Industries, Government of India on Feb 04, 2014, Kempinski Ambience Hotel Delhi.

The two day exhibition witnessed participation of major Indian companies such as Agrinnovate, Radikal Foods Limited, International Tractors Limited, Tata Agrico, Overseas Infrastructure Alliance, TAFE, Coffee Board, Preet Tractors, International Crops Research Institute for Semi-Arid Tropics (ICRISAT), SSP India Limited amongst others. A total of 45 exhibitors displayed their products and services including latest cutting edge technologies in the farm equipment sector.

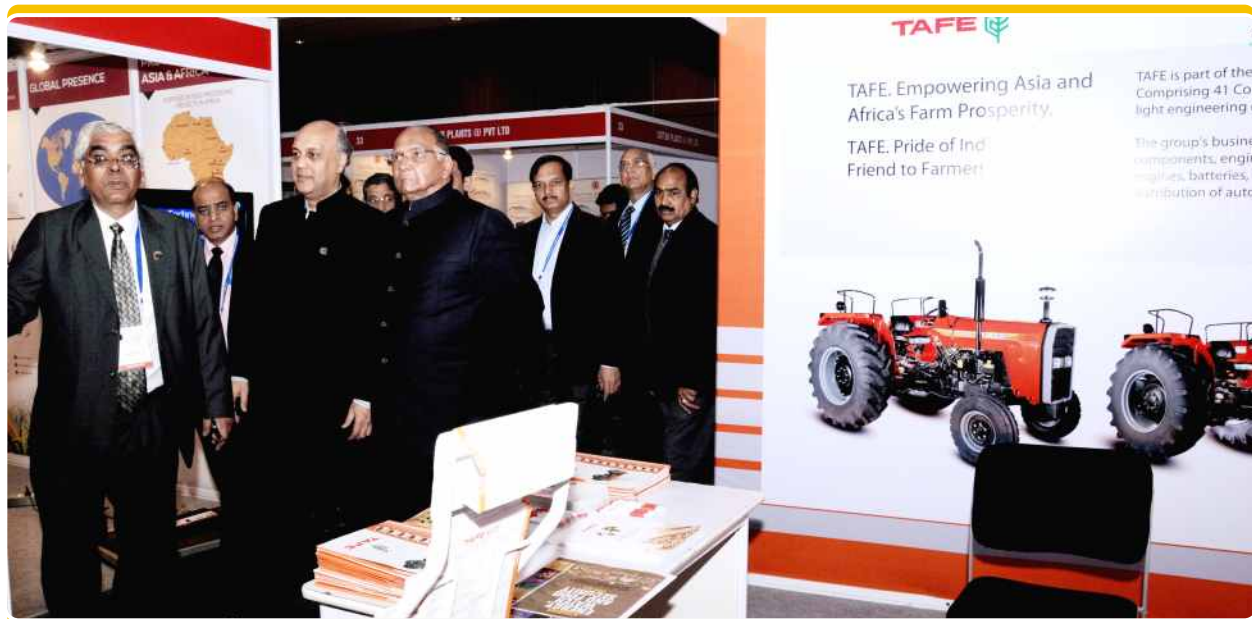


(L to R) Mr. Sharad Pawar, Minister of Agriculture and Food Processing Industries, Government of India with Mr. Sidharth Birla, President FICCI and Chairman, Xpro India Ltd meeting the exhibitors at Asia–Africa AgriBusiness Forum on Feb 04, 2014, Kempinski Ambience Hotel Delhi.

Ten Country Desks were also set up to facilitate trade and investments between participating countries from Asia and Africa.



(L to R) Mr. Sharad Pawar, Minister of Agriculture and Food Processing Industries, Government of India with Mr. Sidharth Birla, President FICCI and Chairman, Xpro India Ltd visiting the exhibition stalls at Asia–Africa AgriBusiness Forum, on Feb 04, 2014, Kempinski Ambience Hotel Delhi.



Mr. Sharad Pawar, Minister of Agriculture and Food Processing Industries, Government of India with Mr. Sidharth Birla, President FICCI and Chairman, Xpro India Ltd visiting the exhibition stalls at Asia–Africa AgriBusiness Forum, on Feb 04, 2014, Kempinski Ambience Hotel Delhi.



The exhibition stalls at the Asia–Africa AgriBusiness Forum, on Feb 04, 2014, Kempinski Ambience Hotel Delhi.

B2B Meetings

Almost 500 plus B2B Meetings were organized on Feb 05, 2014 at the Asia-Africa AgriBusiness Forum for the Indian companies.



B2B Meetings being organized for the delegates on Feb 05, 2014 at Asia-Africa AgriBusiness Forum



Delegates from India, Asia & Africa having B2B meetings on Feb 05, 2014 at Asia-Africa AgriBusiness Forum



KEY LEARNINGS & FOLLOW UP

In most of Asian & African 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 also needs improvement in order to offer good opportunities to a large number of smallholder farmers who in turn could pave their way out of poverty.

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.

Adherence to change in technology alone is not sufficient; there is a need for favorable business environment for strengthening agriculture and agribusiness 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 development of agribusiness 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.

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. All businesses require sufficient and appropriate financing mechanisms in order to sustain and grow, whether they supply farm inputs or distribute agricultural outputs. However, the finance sector in agriculture is anticipated as risky and with unattractive return, but mobilising both traditional as well as innovative sources of financing can be advantageous for agro-industrial development.

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.

It has been proposed that Asia-Africa AgriBusiness Forum be organized annually to address various social and economic issues in both the continents such as employment generation, income generation, poverty reduction etc. The second edition of Asia-Africa AgriBusiness Forum will focus on building synergies between Asia & Africa in the following focus sub-sectors:

1. Enhancing exports, trade and investments for mutual benefit
2. Strengthening the Value Chains in food processing sector
3. Comparative Models for building market linkages
4. Cluster development approach for Farmer Producer Organisations
5. Developing capabilities for competing in international markets.

The opportunities in the agribusiness sector have the potential. The second edition of the Asia-Africa AgriBusiness Forum will seek to address the substantial barriers for growth of the sector to realize the goal of both continents stepping on the world stage to emerge as the food bowls of the world.

About FICCI

Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence, its industrialization, and its emergence as one of the most rapidly growing global economies. FICCI has contributed to this historical process by encouraging debate, articulating the private sector's views and influencing policy.

A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry.

FICCI draws its membership from the corporate sector, both private and public, including SMEs and MNCs; FICCI enjoys an indirect membership of over 2,50,000 companies from various regional chambers of commerce.

FICCI provides a platform for sector specific consensus building and networking and as the first port of call for Indian industry and the international business community.

Our Vision: To be the thought leader for industry, its voice for policy change and its guardian for effective implementation.

Our Mission: To carry forward our initiatives in support of rapid, inclusive and sustainable growth that encompass health, education, livelihood, governance and skill development.

To enhance efficiency and global competitiveness of Indian industry and to expand business opportunities both in domestic and foreign markets through a range of specialised services and global linkages.

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Federation of Indian Chambers of Commerce & Industry (FICCI)
FICCI, Federation House, Tansen Marg, New Delhi 110 001

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