

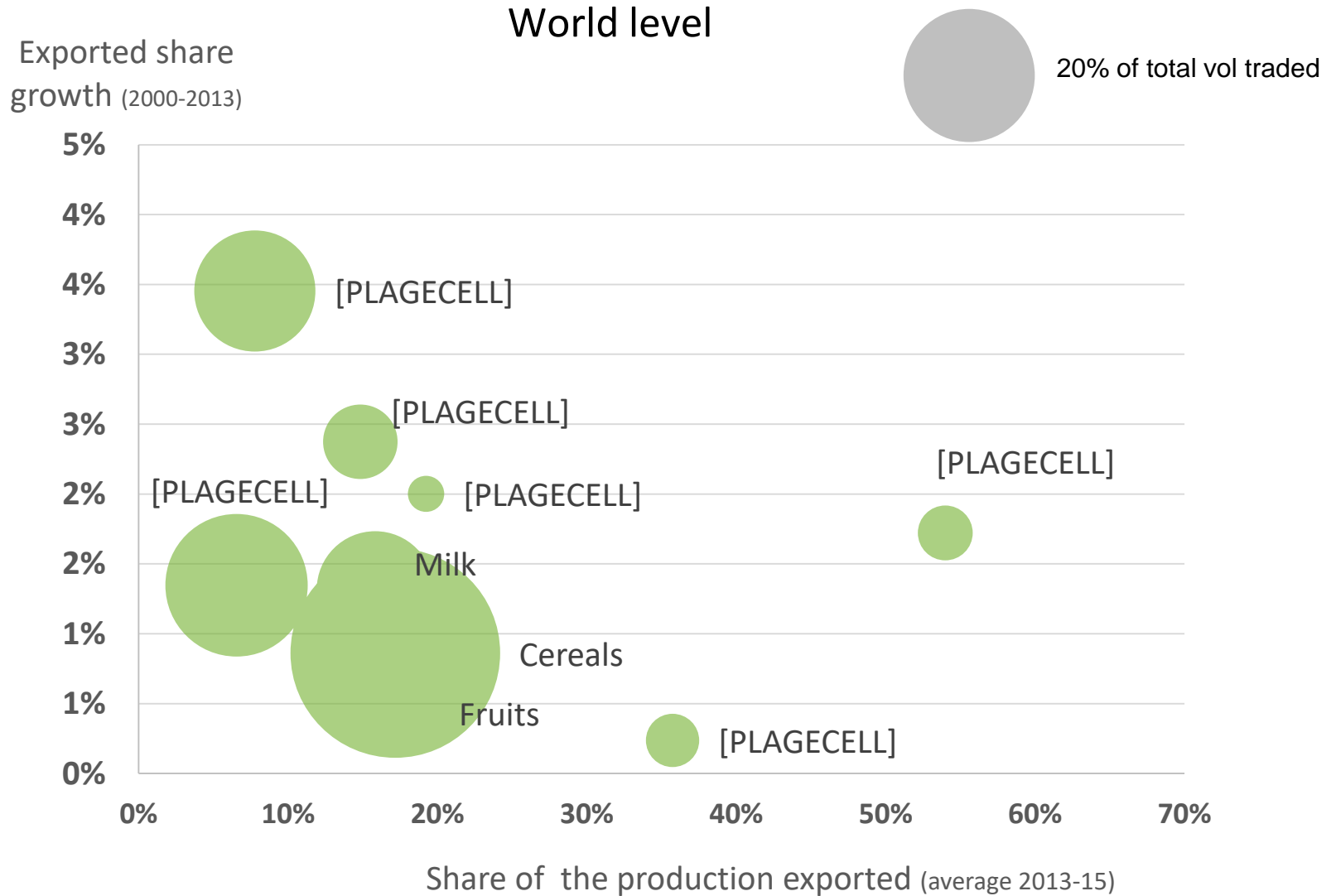
FERDI-AFD workshop
Agricultural value chain development and smallholder competitiveness
Chaînes de valeur agricoles et compétitivité de l'agriculture familiale

Thursday November 15, 2018, at AFD Headquarters in Paris

Agricultural Value chains inclusiveness and domestic demand

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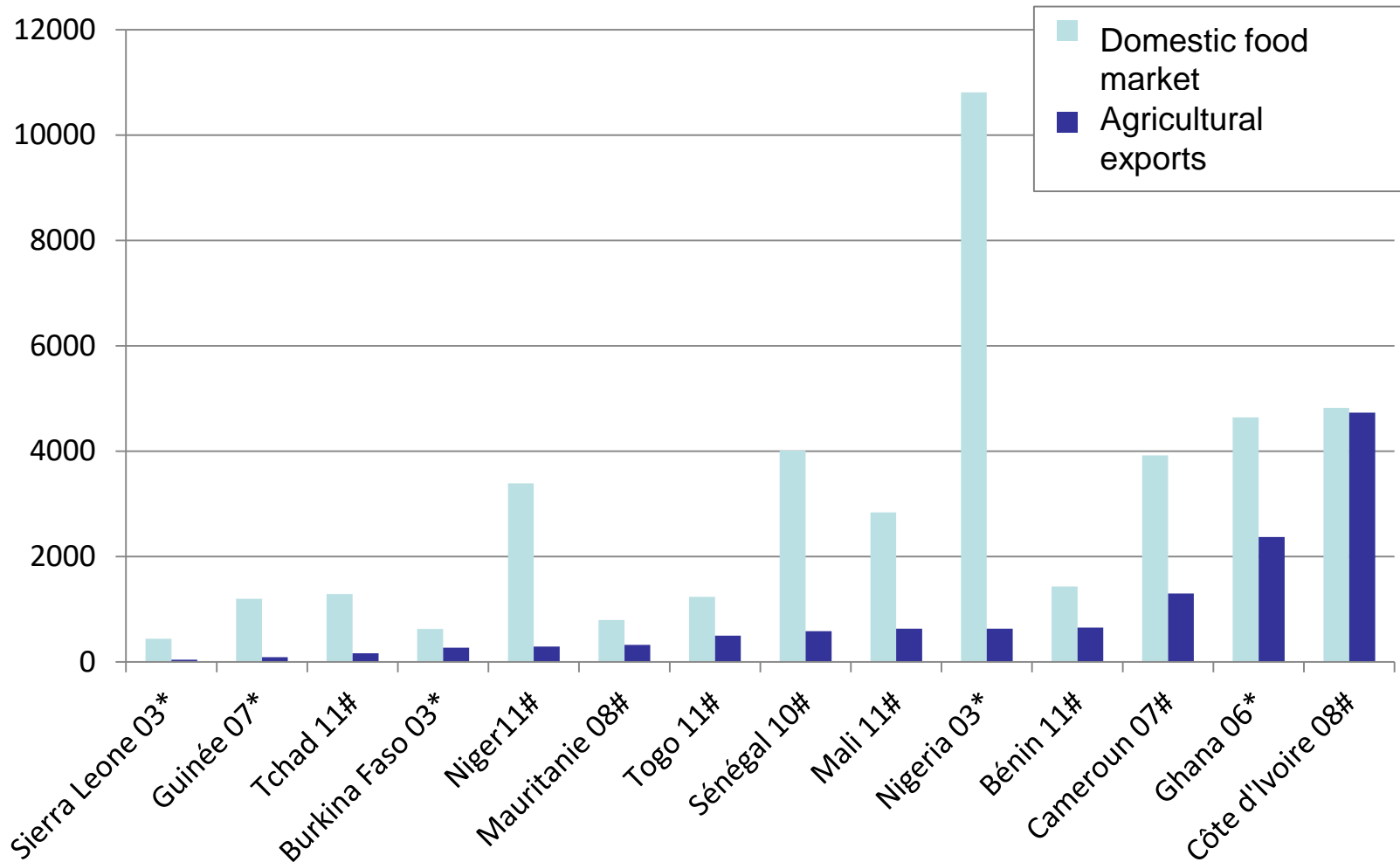
Domestic markets remain the main outlet for agricultural product



Source : FAOSTAT(2018)

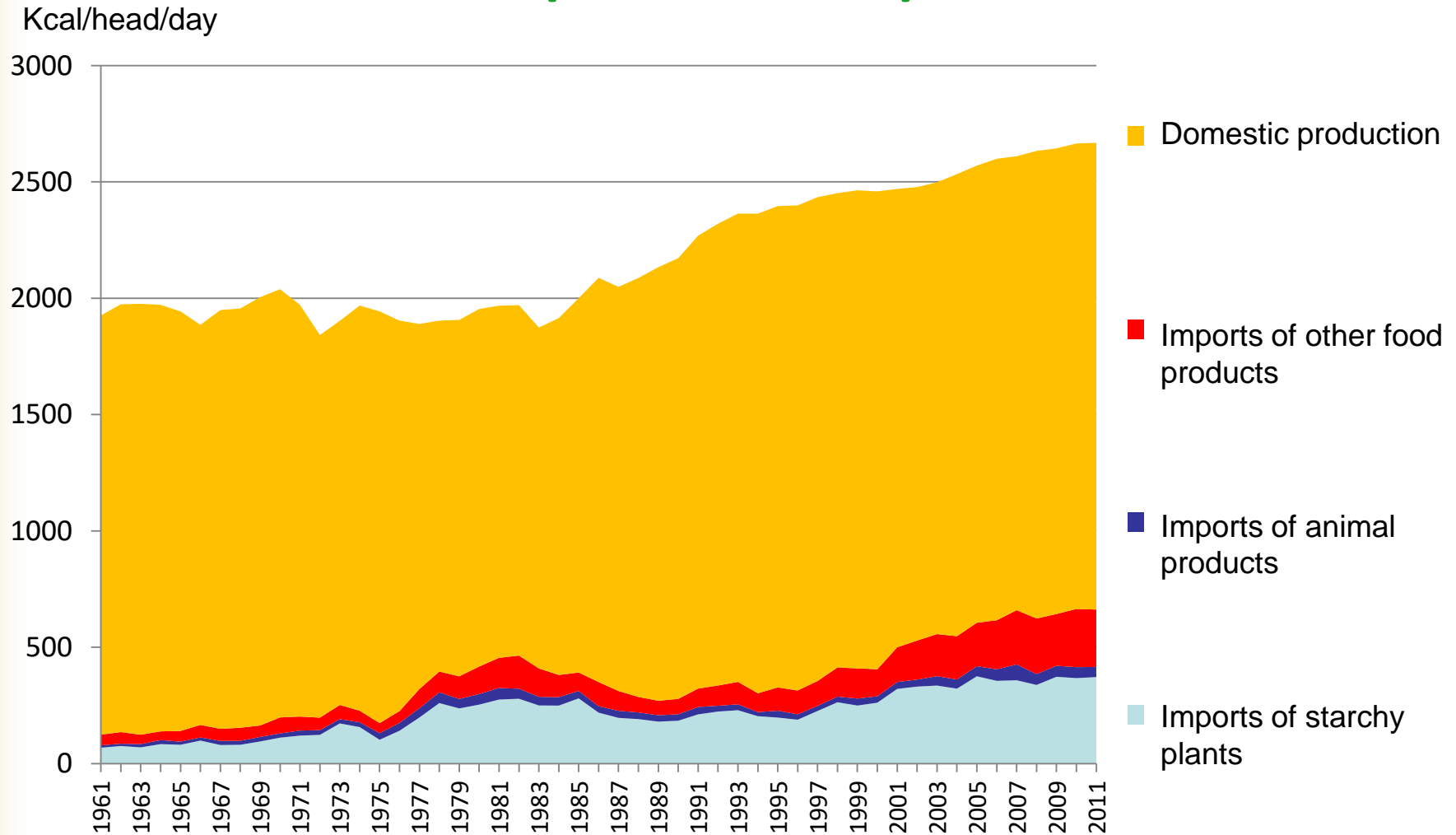
Domestic food markets versus agricultural exports (West Africa)

Millions USD



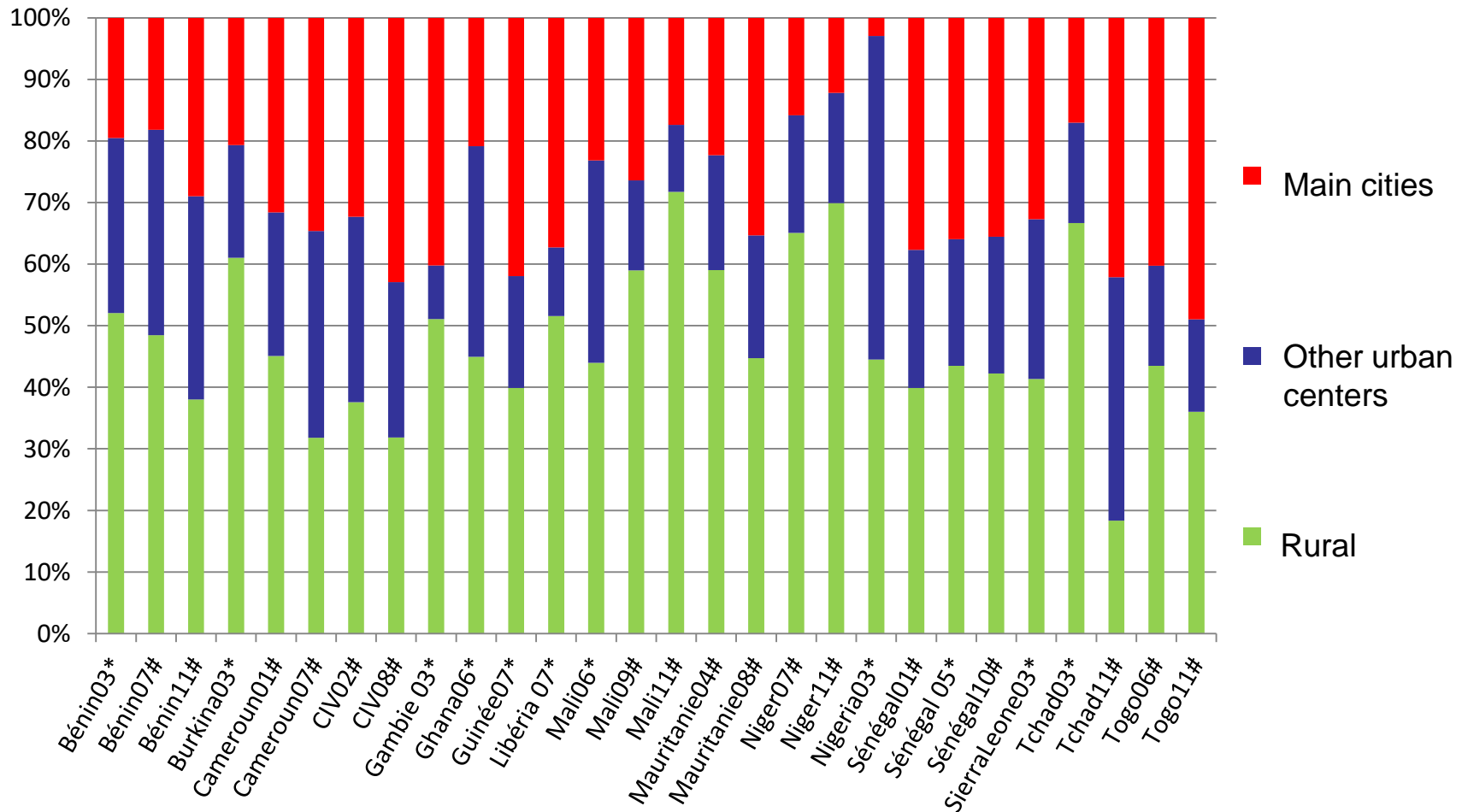
Bricas, N., Tchamda, C., & Mouton, F. (2016). L'Afrique à la conquête de son marché alimentaire intérieur. Enseignements de dix ans d'enquêtes auprès des ménages d'Afrique de l'Ouest, du Cameroun et du Tchad.

Share of imports in total food consumption (West Africa)



Bricas, N., Tchamda, C., & Mouton, F. (2016). L'Afrique à la conquête de son marché alimentaire intérieur. Enseignements de dix ans d'enquêtes auprès des ménages d'Afrique de l'Ouest, du Cameroun et du Tchad.

Domestic market shares distribution along the urban to rural gradient



Bricas, N., Tchamda, C., & Mouton, F. (2016). L'Afrique à la conquête de son marché alimentaire intérieur. Enseignements de dix ans d'enquêtes auprès des ménages d'Afrique de l'Ouest, du Cameroun et du Tchad.

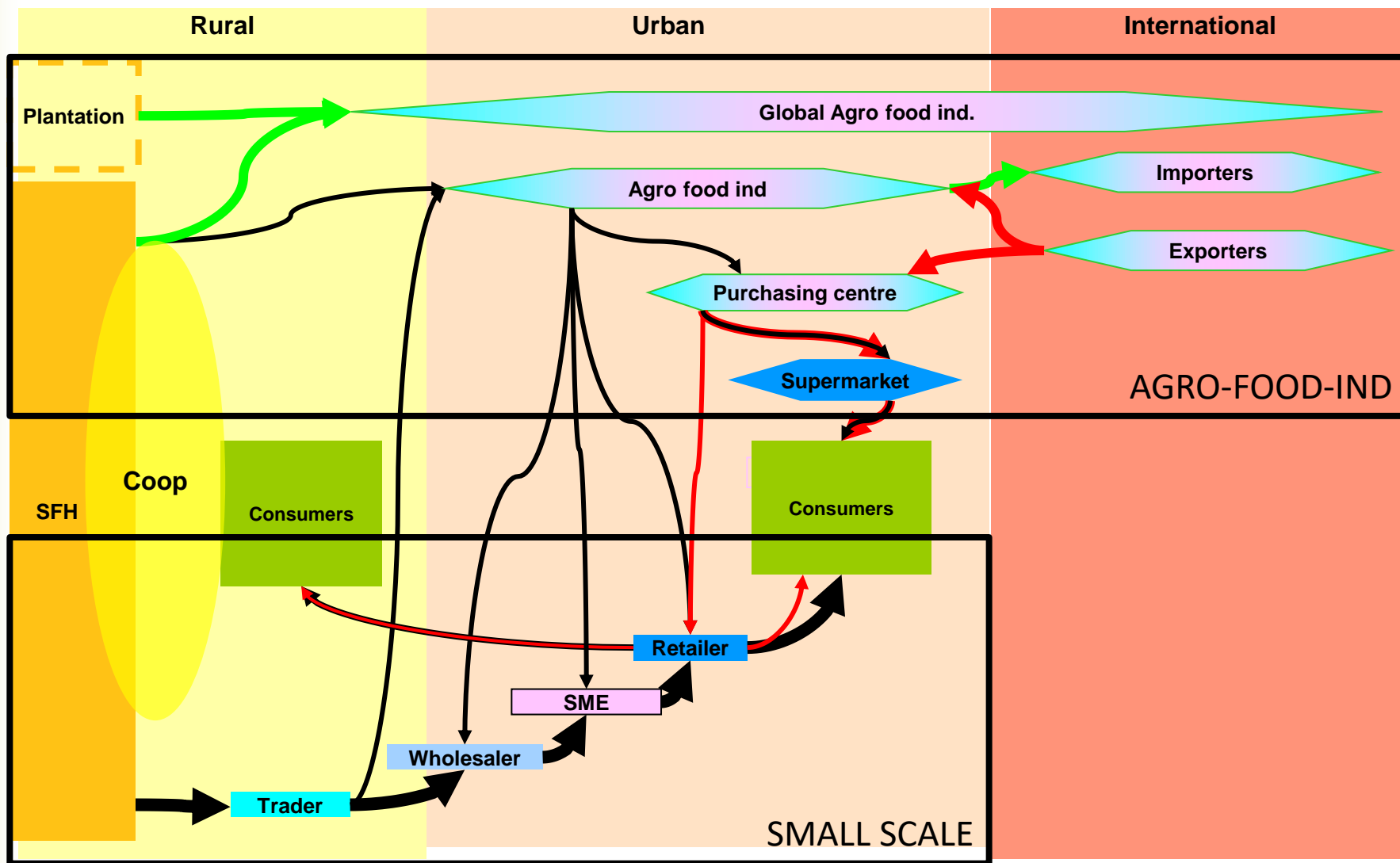
Food eating habits

(Ougadougou, 2014)

Clusters	Frequencies/ origins	Dishes
1. African dishes and-Diversified(n=77 HH 45% well-off,)	Daily Monthly Occasionally Purchased	African, Pasta Burkina To -Rice Burkina – Rice Inter-African Inter-Burkina, Burkina
2. Diversified - African dished (n= 54, 57% SME)	Daily Monthly Occasionally Purchased	Pasta, <u>Inter</u> To-Rice Burkina –Rice Inter-African Inter-Burkina, African African - Burkina
3. Staple and Burkina dishes (n= 67) (employee, student))	Daily Monthly Occasionally Purchased	To-Rice Burkina Burkina Burkina African Burkina Rice
4. Staple and diversified (102 ménages) (informal sector, jobless,...)	Daily Monthly Occasionally Purchased	To-Rice, Burkina Inter- African-Burkina Burkina

Source: Chyens M, Lançon F., Konkobo, C. Y. WP 6, Bilan thématique programmé Production et sécurité alimentaire en Afrique de l'Ouest, CIRAD, 2015

Types of value chains linking supply to demand



ISSUE

- To what extent and under which conditions “small scale” agro value chains (SSVC) can further contribute to the Small Farm Household inclusion into the food market?

Limited interest in SSVC

- Consensus among decision makers about the low performances of SSVC
 - Low performance in quality management, packing, sorting, storing (high losses)
 - Higher marketing and cost (?)
 - Weak competitiveness against imported agricultural product
- Following 2008 price crisis, focus on FDI in agro-food industries development to reduce import dependency
 - But 10 years after the development and impact of agro-food-ind VC for domestic markets is still limited...

Acknowledging the contribution of SSVC to rural development

- Market a broad range of agricultural product
 - ⇒ diet diversification and income opportunities for SFH
- Retailing systems respond to consumers purchasing practices and constraints
 - ⇒ mitigation of “food desert”
- Labor intensive practices
 - ⇒ generate jobs for unskilled workers in both rural and urban areas
- Synergies with Agro-food ind VC: marketing of second grades on the domestic markets, retailing.

Promoting SSVC upgrade on the policy agenda

□ Drawing lessons from the past

- Challenging task combining technical and organizational changes with capacity building
- Successful programs in WA: PASAL in Guinea, Fonio, Rice parboiling technology, ESOP.

□ Priority areas

- Strengthening the participation of SSVC actors (traders, processors) in the policy dialogue through capacity building
- Supporting investment in adapted technologies for quality improvement and energy saving
- Developing mechanisms to alleviate financial constraints for both investment and revolving capital.

