Promoting Innovative agribusiness for economic growth in Africa—what are the challenges and opportunities?

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L2C-Learning to Compete: Industrial Development and Policy in Africa
UNU-WIDER, June 25, 2013
Overview

- Potential of agribusiness and its challenges
- Why innovative agribusiness in Africa should be encouraged
- The way forward
Why promoting innovative agribusiness in Africa?

- Accelerate economic growth-improve food security and reduce poverty
- Enhance domestic trade, regional and international markets
- Promote smallholder inclusion into more modern and efficient value chains
- Improve quality and safety of foods
Challenges in doing business in SSA

Access to electricity in Africa and the rest of the world-2008

Source: World Energy Outlook; 2010
Opportunities in the horticulture market industry

- **Strong market demand**
  - International trade in horticulture industry grows at a rate of 7%
  - High-value product provides higher income for smallholders

- **Advantages for smallholders**
  - Low transaction costs in accessing labour
  - Improved quality products
  - Access to training, technology and markets
Challenges in horticultural supply chain

- Poor infrastructure
- Standard and codes (e.g., GLOBAL GAP)
- Inadequate finance
- Land tenure problems
Export of fresh pineapple to the EU Markets

Source: FAO, 2010
Analysis of six key pillars - Global Competitive Index

Source: Author, based on data from World Economic Forum, 2013
Lessons from Costa Rica—Success factors

- Replacement of varieties of pineapple available on the market by Gold Extra Sweet MD2
- Adequate technical support and management system
- Adoption of explicit national agricultural policy framework
- Strategic **innovation programs** such as varietal, logistical and marketing
Agricultural Innovation in Africa

According to Peter Drucker: “Innovation is the specific instrument of entrepreneurship—an act that endows resources with a new capacity to create wealth”

Africa's contributions to the world's research and development (R&D) remain very low—totaling less than 1 per cent of global investment in R&D and a mere 1.5 per cent of total scientific publications
For those countries that produced more than 100 publications in 2008

Top 7 countries in terms of productivity

Source: Thomson Reuters (Scientific) Inc. Web of Science (Science Citation Index Expanded), compiled for UNESCO, 2010
### Patents awarded to African inventors by USPTO, 2005–2009

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*Source: UNESCO, 2010*
Developing GM super cassava for improved health and food security: future challenges in Africa

Ademola A Adenle

Abstract

Background: The young children are part of this problem...
Strategic innovation program is compulsory!!!

- Most African countries do **NOT** have a clearly structured and planned innovation program for agriculture and agribusiness development.

- But Africa have to be realistic and how?

**Strategized plans and implementation**
Africa can develop global and competitive agribusiness market through common innovation infrastructure including investment in training and education, public-private partnership, ICT and transportation.

Don’t just talk about it—**FUND and IMPLEMENT IT**
Thank You!!