



# An African perspective

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## Background

- ▶ Poorest smallholders in the world
- ▶ Poverty and hunger in the smallholder sector can be eradicated through the creation of wealth
- ▶ The smallholder sector offers the greatest prospects to move large numbers of people out of poverty
- ▶ Commercialization, modernization, mechanization
- ▶ Digital innovation and policy reforms offer the greatest prospects for transforming the sector
- ▶ Massive upscaling in the organization of farmers in Africa
- ▶ Technological leapfrogging

# Profile of the African farmer

- ▶ Approximately half of the population in SSA reside in rural areas
- ▶ Vast majority of rural populations are smallholder farmers (SHF)
- ▶ Geographically widely dispersed in far-flung areas
- ▶ •Socially and economically isolated
- ▶ •Not a homogenous group
- ▶ Majority are not there by choice, but by default
- ▶ Predominantly women
- ▶ Ageing population
- ▶ •Lack of interest in agriculture by the youth



# Inputs

- ▶ Own seeds, labor, fertilizers (if any) hand hoe, rain fed
- ▶ Poverty by numbers
- ▶ Poor infrastructure, value chains, linkages to markets
- ▶ Activist NGO's working hard to keep us poor ("the anti-lobby")
- ▶ Lack of financing



# Attitudes

- ▶ Seem disrespectful of breeders rights
- ▶ Poor legal systems, poor governance
- ▶ Extension services not always up to standard
- ▶ Affordability is an issue
- ▶ Resistance against technology
- ▶ Sensitivity wrt "exploitation", "dependency"



# Solutions

- ▶ Empowerment
- ▶ Organization
- ▶ Cooperatives
- ▶ Communication
- ▶ Partnerships (AaA)
- ▶ Value Chain Financing



# Value chain financing

## Arusha pilot 2015/16

- ▶ Organization (69 farmers on 2200ha)
- ▶ Off take agreement (tonnage @ time @ price)
- ▶ Loan from bank for production
- ▶ Crop insurance



- ▶ 6% risk from 5 input providers
- ▶ Improved seeds, fertilizers, mechanization
- ▶ Build confidence, experience, profitability
- ▶ Empowerment!