

The role of the private sector and business solutions for agriculture and climate change

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May 2017

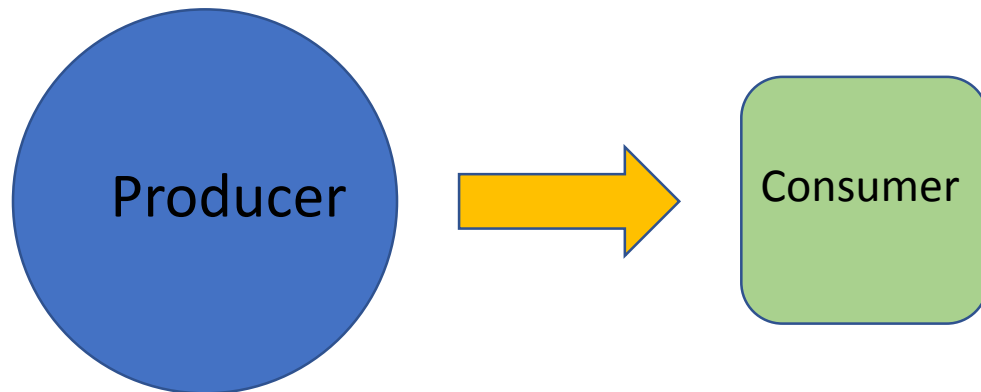
The market is king

- The pulling force of value chains
- Demand driven
- Determine competitiveness
- Dictates preferences in input procurement, farming practices
- Tiers of demand: Price, quality, nutrition, environmental impact

- POVERTY HINDERS CSA

Shorter value chains in poor communities

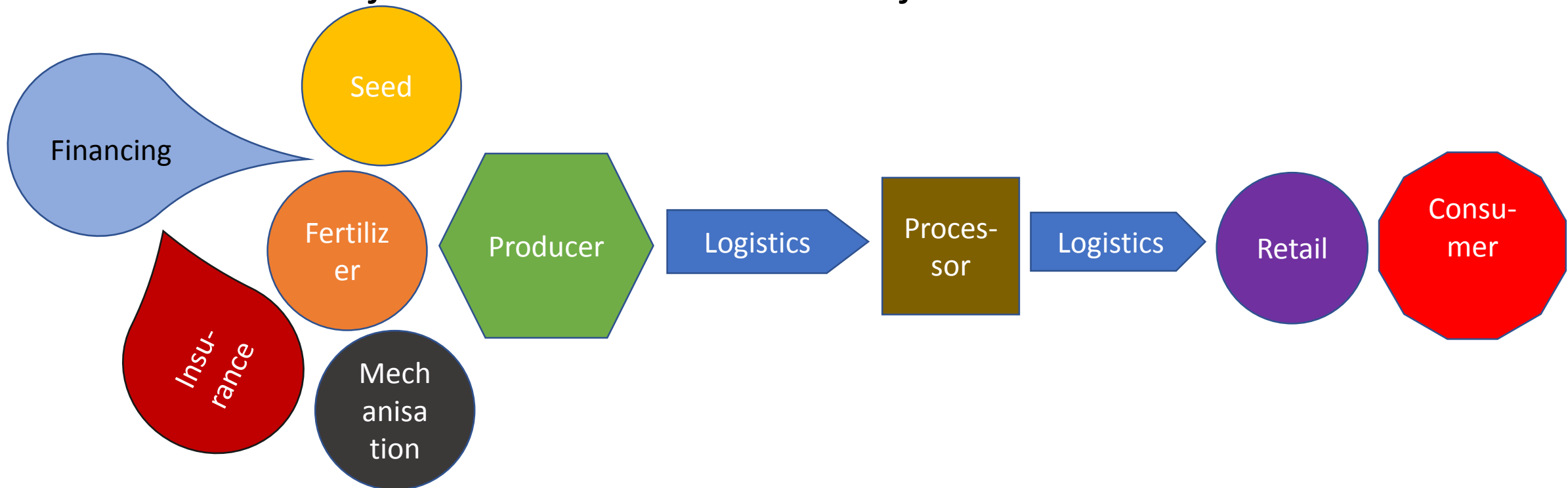
- Own seed, fertilizers, labor
- Own consumption, little trade
- Own processing, logistics and trade/exchange and consumption



- Little space for Agri-business

Longer value chain in sophisticated markets

- Profit is in the chain rather than primary production
- In SA the turnover in the chain is >5x that of primary production
- In SA for each job on a farm there are 17 jobs in the chain



To expand

- Poor peasants need more area
- Profitable farmers produce more on less with less
- The difference: Technology
- Knowledge, expertise, skills, education, training, empowerment
- And the aspiration to practice farming as a business
- 1 way to eradicate poverty; by creating wealth, adding value