

# International Agri-Food Network

## Private Sector Engagement at CFS October 2011

The Private Sector Mechanism included a delegation of 37 private sector representatives from a broad range of sectors including farmers, inputs, grain trade, food processors, and investors.

Four events were held including those listed below and an event with GADCO to discuss responsible agricultural investment in the context of a rice production and processing project in Ghana. In addition, a High Level Luncheon was held to explore the key elements necessary for agricultural investment.

Speakers were provided to the CFS Roundtable discussions including:

- Charles Ogang, President of Ugandan Farmers Federation (replacing Lucy Muchoki of PANACC)
- Tim Andriesen, Head of Commodities CME Group
- Bruce McNamer, CEO of TechnoServe

In addition, there were interventions from the floor throughout the session on behalf of an array of private sector actors and concluding remarks were offered by Robynne Anderson, secretariat to the International Agri-Food Network and main representative to the UN for the World Farmers Organisation. All formal interventions are on-line at [www.agrifood.net](http://www.agrifood.net)

The delegation took the time to meet with several member states and agencies to better learn their needs for private sector involvement while such a diverse group was in Rome.

## INFORMAL BRIEFING ON PRIVATE SECTOR MECHANISM

HOSTED BY: International Agri-Food Network, [www.agrifood.net](http://www.agrifood.net)



DATE, LOCATION :

**Monday, October 17 / 12:30 - 13:30 / Austria Room C237**

SPEAKERS :

### **History of the International Agri-Food Network**

Luc Maene, Chairman of International Agri-Food Network, Belgium

### **Private Sector Mechanism**

Morgane Danielou, Member Advisory Group of the CFS, France

### **Position and Views**

Robynne Anderson, Secretariat to the International Agri-Food Network, Canada

### **MEETING SUMMARY (NO MORE THAN 300 WORDS)**

The meeting had three purposes: (1) to introduce the work and structure of the International Agri-Food network (IAFN) (2) to present key priorities for the private sector in the context of the CFS and (3) to discuss priorities for further participation within the work flow of the CFS.

### **KEY THEMES & DISCUSSION POINTS, INCLUDING NEW PROJECTS OR PARTNERSHIPS (NO MORE THAN 10 BULLET POINTS)**

#### **Key Private Sector Themes**

- Agriculture is an engine for development.
- The CFS should support entrepreneurship and enterprise.
- The CFS should establish a conducive operating environment.
- The CFS should support research, development and extension services.
- The CFS should acknowledge the power of partnerships to deliver on its goals.

#### **About the iAFN**

- IAFN is a voluntary, virtual coalition staffed by its supporter groups.
- IAFN is looking to be more involved in the CFS process and to engage members in discussing core issues.
- IAFN would like the CFS to focus on key priority areas (e.g. post-harvest losses).
- IAFN could benefit from a small private sector mechanism to fund participation from various

representatives throughout the industry

- It is also a challenge to find suitable private sector representatives to attend due to their existing work responsibilities. In addition, could a farmer be nominated as a FAO Goodwill Ambassador?

**MAIN CONCLUSIONS (NO MORE THAN 10 BULLET POINTS)**

- The private sector is interested in actively discussing emerging issues related to delivering on the goals of the CFS.
- Post-harvest losses is a key issue which should be prioritized within the CFS
- The work flow of the CFS – and how the private sector is enabled to contribute – should be further addressed.

## Private Sector Meeting

### **PARTNERING FOR SUSTAINABILITY**

HOSTED BY: Farming First, [www.farmingfirst.org](http://www.farmingfirst.org)



**DATE, LOCATION :**

**Tuesday, October 18 / 12:30 - 14:00 / Austria Room C237 / Sandwiches served**

**SPEAKERS :**

**MODERATOR:** Franklin Moore, USAID

**Partnerships towards Sustainable Beef Production**

Thomas Lyall, Dow AgroSciences, UK

**Zinc: Essential for Growth and Nutrition**

Stephen Wilkinson, International Zinc Association, Belgium

**Private-Private Partnerships**

Patrick O'Quin, Danone, France

**MEETING SUMMARY (NO MORE THAN 300 WORDS)**

This meeting's purpose is to highlight how partnerships involving the private sector can play a role in delivering on the food security and sustainability goals of the CFS. Three pieces of work were presented: (1) a livestock production scheme in Brazil, (2) zinc micro-nutrient fortification of fertilizers and (3) various programmes from Danone related to supply chain, communities and the environment.

**KEY THEMES & DISCUSSION POINTS, INCLUDING NEW PROJECTS OR PARTNERSHIPS (NO MORE THAN 10 BULLET POINTS)**

Thomas Lyall, Dow AgroSciences, UK

- Presenting a case study of a Brazilian multi-stakeholder coalition addressing livestock production.
- Sustainable intensification of beef production implies increasing the carrying capacity of existing land. The goal is to increase current rates of 1.2 head of cattle per hectare to 2.4 head of cattle per hectare.
- Key priorities areas to address are: (1) recovering degraded areas, (2) improving productivity and profitability, (3) building capacity of producers/technicians, and (4) reducing CO2 emissions.

Stephen Wilkinson, International Zinc Association, Belgium

- Zinc is an essential micronutrient for life. Zinc deficiency is a major driver of malnutrition and deaths globally, particularly in the developing world.
- Zinc deficiency can be addressed through zinc-fortified fertilizers, which also promote growth and health of crops.

Patrick O'Quin, Danone, France

- Danone's mission is to bring health through food to as many people as possible.
- Danone as a company has been transforming as a company over the past 15 years, both in terms of the product portfolio and the markets where they are sold. The aim is to continue overhauling product portfolios to reach poorer consumers (making less than \$10 per day).
- Danone is working in several partnerships: (1) Danone Ecosystem Fund to strengthen the economic environment for Danone's business, (2) Danone Communities Fund to support and finance social businesses, and (3) Livelihoods Fund to restore and protect ecosystems generating carbon credits

**MAIN CONCLUSIONS (NO MORE THAN 10 BULLET POINTS)**

- The private sector has developed a range of innovative partnerships (e.g. public-private, private-private, multi-stakeholder) to contribute to regional and global food security in a sustainable manner.
- Partnerships allow various groups to share resources, seek consensus and share tasks by focusing on various partners' areas of specialization.
- The private sector can help public sector bodies (e.g. the CFS) to identify key challenges and opportunities related to food security as well as to develop, deploy, replicate and refine concrete solutions on the ground.

## Private Sector Meeting

### INFORMAL DISCUSSION ON POST-HARVEST LOSSES

HOSTED BY: International Agri-Food Network, [www.agrifood.net](http://www.agrifood.net)



DATE, LOCATION :

**Tuesday, October 18** / 17:30 - 19:00 / Austria Room C237

SPEAKERS :

**MODERATOR:** Makbule Koçak, Counsellor, Republic of Turkey

#### **The Scope and Impact of the Losses**

Charles Ogang, World Farmers Organisation and President of Ugandan Farmers Federation, Uganda

#### **Storing Grains for Food Security and Sustainability**

Digvir Jayas, President, Agriculture Institute of Canada and Vice-President (Research and International) University of Manitoba

#### **Bringing the Cold Chain into Action**

Xavier Meignien, Deputy Director, International Institute of Refrigeration, France

#### **MEETING SUMMARY**

Participants including member states, philanthropic groups, and the private sector, as well as UN agencies and their partners explored the impact of post harvest losses. From 20% to 50% of post harvest losses are estimated around the world. This leads to hunger and environmental degradation.

Already the UN has expressed the need to address post harvest losses including the Istanbul Plan of Action and the HLPE report on food security. So how can it be done? Many of the needs are well known but there is a lack of knowledge sharing with farmers in developing country. More research is necessary on good storage techniques and more investment is essential in infrastructure.

Strong emphasis was placed on the fact that decreasing post-harvest losses is the fastest way to increase ag productivity and efficiency.

**KEY THEMES & DISCUSSION POINTS, INCLUDING NEW PROJECTS OR PARTNERSHIPS**

**Charles Ogang, World Farmers Organization and Ugandan Farmers Federation**

The impact of these losses on farmers were well described. In Uganda: study on maize shows farmers experience losses:

Recent studies on Maize have revealed that farmers experience losses at various levels as follows:

<b>Level</b>	<b>Estimated Losses</b>	<b>Remarks</b>
Field	12%	prolonged field drying and late harvest
Transportation from Field	1-2%	poor bagging/packaging of the harvest
On-farm drying	6%	inappropriate drying facilities
Shelling and cleaning	2-3%	inappropriate technologies
Storage (4-8 months)	6-8%	poor storage facilities, insect pest infestation and sharing with rats
Total	+(-) 30%	

These losses also apply to legumes and pulses and in fact, they tend to be higher as these two types of crops are more susceptible to insect infestation both in pods and in seed than cereals. For fruits and vegetables, if marketing is not properly organised, losses of up to 80% can occur. Value addition would be the possible solution where fruits are made into juices, syrups/concentrates. Losses in dairy occur for similar reasons, and losses are high in fisheries. In honey, losses of 20% are due to poor extraction technologies.

**Digvir Jayas – grain storage losses**

In stored grain, deterioration results from interactions among physical, chemical and biological factors. Managing interactions is necessary including environmental factors (solar radiation, wind, precipitation, temperature), insects and pests (bacteria, molds, mites, insects), abiotic, biotic and other factors. He emphasized the moisture temperature combination has to be managed. Concrete steps can address all these factors.

The Canadian Wheat Board Centre for Grain Storage Research is the most advanced research facility of this type in the world to test grain drying, handling, cleaning and storing. There they can simulate weather conditions in other part of the world and have done research on problematic approaches like floor drying and certain types of bags.

**Xavier Meignien – role of cold chain**

A quarter of perishable foods are lost due to lack of cold chain in LDCs. As food moves from the farm to the consumer, it often misses cold storage at various points.

Unfortunately, refrigeration cannot compensate for previous temperature discrepancies or for lack of hygiene.

Setting up a cold chain is not economically viable if produced volumes are inefficient, but this is a catch-22 as insufficient cold chains inhibit increases in production.

In hot countries, refrigeration is technically and economically difficult. Market for new types of equipment designed for this climate is limited so more R&D needed to find cost-effective solutions such as thermal storage and evaporative cooling. Often a chain is best developed when focused on a specific product such as dairy, meat or a fruit. Improving the efficiency of that chain demands care at interfaces between cold chain links such as open doors, crates, and poor loading which can be managed by best practices. A dialogue is needed between production/logistics/cold chains to design new equipment and systems.

**MAIN CONCLUSIONS**

The problem of post harvest losses is not limited to the Least Developed Countries but also developed countries.

Key recommendations:

Build storage facilities and cold chain mechanisms.

Rural infrastructure is required such as roads, linkages to railways and ports

Agronomic knowledge must be better shared, including meteorological and pest identification

Consumer education on food waste

Risk management tools for farmers on weather and market demands

More use of compost to reuse waste material

Fundamentally, the best way to find solution to agricultural output is to reduce losses and wastes.

## Private Sector Meeting

### HIGH LEVEL LUNCHEON

HOSTED BY: **International Agri-Food Network**, [www.agrifood.net](http://www.agrifood.net)



**DATE, LOCATION :**

**Wednesday, October 19 / 12:30 - 14:00 / Hotel Forum / Bus Departs FAO for Forum at 12:35**

**SPEAKERS :**

**Master of Ceremonies:**

Luc Maene, Chairman, International Agri-Food Network

**Welcome:**

Noel de Luna, Chairman, Committee on Food Security

**Keynote Speaker:**

Bruce McNamer, CEO, TechnoServe

**MEETING SUMMARY (NO MORE THAN 300 WORDS)**

The meeting saw a gathering of more than 60 delegates covering Ambassadors from 10 countries, association representatives, donor organization, FAO and World Bank. The theme of the luncheon was “Developing Investment”, and with the objective of understanding the key policy recommendations that are needed to build better private sector engagement in the food value chain in developing countries. The delegates were encouraged to consider what governments need to do, what international companies need to do, what local companies and donors need to do. The topics discussed encompassed,

1. Risk and Benefits of Foreign Direct Investment
2. Aggregating smallholders
3. Private- Public Partnerships
4. SME Development
5. Regulations
6. Food Security and Nutrition

Each table was headed by a facilitator and rapporteur. It was a very fruitful and

effective meeting as this model was used in other UN type meeting and this was the 1<sup>st</sup> time this High level Luncheon was organized during CFS meeting. The delegates had very active discussions around the topics and provided a long list of recommendations to enable stakeholders to focus and prioritize its objective in achieving better private sector engagement in the food value chain in developing countries.

**KEY THEMES & DISCUSSION POINTS, INCLUDING NEW PROJECTS OR PARTNERSHIPS (NO MORE THAN 10 BULLET POINTS)**

**1. Risk and Benefits of Foreign Direct Investment**

- I. Well informed, clear policy and stable policies
- II. Ensure ministries are coordinated when dealing with private sector and all stakeholders.
- III. Both donor and host countries must be pro-partnership
- IV. Take a long term view of investment
- V. Better communication on proven and success stories on investment
- VI. Better risk mitigation for all stakeholders – Design investments, services, policies so as to mitigate/share and strengthen the ability for all stakeholder to manage them.

**2. Aggregating smallholders**

- I. Invest in Infrastructure and value chain: Support farmers to produce, access to finance and processing.
- II. Sound tax structure to promote investment in Agriculture
- III. Partnership between local and international to access knowledge and networks but yet value local knowledge

**3. Private- Public Partnerships**

- I. “To be competitive, we need to cooperate”: To look together into the future and the future of food chains: Identify where R&D and/or development of infrastructures can create new development opportunities (or overcome existing constraints).
- II. PPP is about sharing risks for new opportunities, where partners do not seek to abandon their “business” objectives, but to mutual understanding and trust in the development.

- III. Ensure protections for all partners: conditions for mutual trust, transparency, attribution of responsibilities, level playing field, deal with existing asymmetries amongst partners

#### **4. SME Development**

- I. Catalytic role in providing the good frameworks for transformative partnerships, enabling small scale development. The state has a crucial role to play in facilitating access to Credits, Insurance, technical and extension services and markets.
- II. Opening up the agriculture to integrate food and energy production systems
- III. One stop centre for small business to register their business
- IV. Need instruments for International companies to establish business relationship with small holders.
- V. Leverage on Global Compact and link RAI principles developed by FAO, IFAD, UNCTAD and the world bank into the framework.
- VI. Focus on bottom up solutions with the stakeholders.

#### **5. Regulations**

- I. National guidelines are key and should be the ultimate goal, as they are more effective. Guidelines at international level can help a lot to support to the development of national guidelines. CFS can play a critical role.
- II. Strengthening regulatory system (Governance, anti-corruption, transparent legal system, effective guidelines to ensure transparency and clarity of the rules of engagement).

#### **6. Food Security and Nutrition**

- I. Disseminate adequate technology and effective implementation.
- II. Focus on smallholder: Most actors are often of very small scale and as a whole they form the greatest share of the agriculture economies.
- III. Require broad base education including availability of nutrition.
- IV. Increase availability of nutritional foods, improve distribution and integrated production strategies linking agriculture and nutrition.

**MAIN CONCLUSIONS (NO MORE THAN 10 BULLET POINTS)**

1. Establish a Conducive Operating Environment
2. Responsible Agriculture Investment
3. Support entrepreneurship and Private enterprise
4. Research , Development and extension service
5. The Power of Partnership
6. Increasing in Investment
7. Improving Markets
8. Expanding Technology Access and R&D
9. Effective communications on Success Stories

## DELEGATION IN ATTENDANCE

Name	Company	Country	Sector	Title
Digvir Jayas	<b>Agriculture Institute of Canada</b>	Canada	Research	President of AIC University of Manitoba Vice President of Research
Luca Torre	<b>Ambers Co Capital</b>	Spain	Finance	Partner
Joachim Schneider	<b>Bayer CropScience</b>	Germany	Inputs	SVP of Strategy
Hakan Bahceci	<b>CICILS</b>	UAE (Turkish)	Commodity	President of CICILS CEO of Hakan Foods
Tim Andriesen	<b>CME</b>	US	Finance	Managing Director, Commodities
Howard Minigh	<b>CropLife</b>	US	Inputs	CEO
Tan Siang Hee	<b>CropLife Asia</b>	Singapore (Malaysian)	Inputs	CEO
Patrick O'Quin	<b>Danone</b>	France	Food	VP Multilateral Affairs
Thomas Lyall	<b>Dow AgroSciences</b>	Belgium (UK)	inputs	European Government Affairs Leader
Michael Hoevel	<b>Farming First</b>	USA (UK)	Policy	Project manager
Iggy Bassi	<b>GADCO</b>	Ghana (Brasil)	Food	Co-founder
Anja Langenbucher	<b>Gates Foundation</b>	UK	Philanthropy	Policy and External Relations
Arlene Mitchell	<b>Gates Foundation</b>	UK	Philanthropy	Deputy Director, Market Access
June Arnold	<b>Grain and Feed Trade Association</b>	Switzerland	Trading	Head of Policy
Abdulrahman Jawahery	<b>GPIC</b>	Bahrain	Inputs	President of GPIC Executive Committee, IFA
Luc Maene	<b>International Fertilizer Industry Association</b>	France (Belgian)	Inputs	Chairman of IAFN

Morgane Danielou	<b>International Fertilizer Industry Association</b>	France	Inputs	Private Sector Representative CFS Advisory Group
Bill Goodbar	<b>Intl FC Stone</b>	US	Finance	Managing Director
Xavier Meignien	<b>International Refrigeration Institute</b>	France	Transport/cold chain	Deputy Director
Stephen Wilkinson	<b>International Zinc Association</b>	Belgium	Inputs	Executive Director
Narciso Salvo	<b>Italian Fertilizer Association</b>	Italy	iNputs	Director General
Daniel Hough	<b>Macquarie Agricultural Funds Management</b>	UK (Australia)	Finance	Agricultural Product Specialist
Ibrahim El Menschawi	<b>Monsanto</b>	Switzerland	Inputs	VP for Western Europe
Jette Westerdah	<b>Novozymes A/S</b>	Denmark	inputs	Public Affairs Advisor
Peter Watts	<b>Pulse Canada</b>	Canada	Commodity	Director of Market Information
Alexei Gavrilov	<b>Ramburs and GAFTA</b>	Ukraine	Trading	Chairman-Ramburs and President GAFTA
Hans Ove Skov	<b>Skovs Korn A/S GAFTA Council</b>	Denmark	Trading	Director
Bruce McNamer	<b>TechnoServe</b>	USA	Philanthropy	CEO
Esin Mete	<b>Toros</b>	Turkey	Inputs	CEO
Zainudin Hashim	<b>Tradewinds</b>	Malaysia	Commodity	Senior General Manager Corporate Planning
Gilles Poidevin	<b>UNIFA</b>	France	Inputs	Director General
Arne Cartridge	<b>World Economic Forum (WEF)</b>	Switzerland	Business organization	Special advisor
Robynne Anderson	<b>World Farmers Organisation</b>	Canada	Farmers	Main Representative to the UN
Charles Ogang	<b>World Farmers Organisation</b>	Uganda	Farmers	President, Ugandan

				Farmers Federation
Natalia Federighi	<b>Yara International</b>	Belgium (Spanish)	Inputs	Director Public Affairs