Innovation Lab for Food Security Policy
Motivating fact: looming employment challenge in SSA

Age pyramid: rural SSA, 2015

- 62% < 25 years old
Major benefits to considering agricultural, poverty reduction, and employment objectives in a coordinated manner.
Objectives

• To present ideas for consideration regarding how agricultural programs can promote
  – Agricultural productivity
  – Employment
  – Poverty reduction

  - anticipating the ‘mega-trends’
  - considering how policy can ‘bend’ the trends
  - recognizing that agriculture can’t do it all alone
Six major trends
Trend #1

Rising global food and energy prices
FAO’s Food Price Index: Real prices on downward trend but high level
Trend #2

Urbanization

• 7 of 10 fastest growing economics are in Africa

• rise of an African middle class, etc...
Share of SSA’s imported processed and high-value food products from outside Africa

Source: ITC Trade Map, 2014
Food Demand Outstripping Production in Africa

High-Value Commodity Production and Consumption Change (2011/13 to 2023)

Cereal Production and Consumption Change (2011/13 to 2023)
Production in Asia

High-Value Commodity Production and Consumption Change
(2011/13 to 2023)

Cereal Production and Consumption Change
(2011/13 to 2023)
Production in Latin America

High-Value Commodity Production and Consumption Change (2011/13 to 2023)

Cereal Production and Consumption Change (2011/13 to 2023)
The Americas are increasingly the largest net exporters

Note: Agriculture and fish products included in the Outlook
input supply

farm production

assembly traders

wholesalers

processors

retailers

consumers

IMPORTS
Trend #3

The “Youth Bulge”
Age pyramids, Sub-Saharan Africa, 2015

62% < 25 years old

Source: UN Pop Council, 2013
Jobs by sector, Sub-Saharan Africa

Source: World Bank (Filmer and Fox), 2014
Jobs by sector, Sub-Saharan Africa

Source: World Bank (Filmer and Fox), 2014
Trend #4

Rising global interest in Africa’s arable land
Trend #4: Rising global interest in Africa’s arable land

• Anticipate:
  – Rising land prices
  – Greater use of land-saving farm technologies (e.g., fertilizer, higher-yielding seeds, irrigation)

• Meteoric rise of medium-scale farms
Nine countries contain 90% of Africa’s unutilized arable land

<table>
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<th></th>
<th>Non-forested unutilized land¹ (million ha)</th>
<th>Proportion</th>
<th>Cumulative Proportion</th>
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<td>DRC</td>
<td>84.8</td>
<td>46.5%</td>
<td>46.5%</td>
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<td>Angola</td>
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<td>10.4%</td>
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<td>3.2%</td>
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<td>Rest of Africa (n=45)</td>
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<td>8.8%</td>
<td>100.0%</td>
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Trend #5

Land degradation in smallholder farming areas
Agricultural intensification in Kenya

Figure 4: Net crop income per hectare cultivated

![Graph showing net crop income per hectare cultivated with actual and simulated data.](image)
Trend #6

Climate change
Major message:

• Don’t accept all these “megatrends” as inevitable
  
  – Some trends are highly uncertain, being dependent on the time path of other trends
  
  – Policy can influence the trajectories of some of them / others less so
Recognize that agriculture can’t achieve economic transformation on its own

- Non-farm sectors must also create employment
- What does this mean? Increase investment in:
  1. education value chains
  2. Agricultural R&D, agricultural extension, programs to restore long-term soil fertility
  3. Physical infrastructure to reduce the costs of production in both industry and agriculture and promote job creation
  4. industrial policy -- promote private investment and job growth in local non-farm sectors, which simultaneously stimulates investment in local agrifood systems
  5. urban planning (housing, sanitation, health facilities and green spaces) in anticipation of many more people living in urban areas in the decades to come
Take-away messages

• Anticipate the ‘mega-trends’
• Considering how policy can ‘bend’ the trends
• Recognize that agriculture can’t do it all alone

• Consider agricultural, poverty reduction, and employment objectives in a coordinated manner
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