
Way Forward: Towards An African Agricultural Outlook

*Understanding Regional
Markets and Prices*

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Outline

- Motivation
- Existing Outlook/Foresight Activities
 - BFAP: South African Model
 - IAPRI: Zambian Model
- Way Forward

INSIDE THIS WEEK: TECHNOLOGY QUARTERLY

The
Economist

DECEMBER 3RD - 9TH 2013

Economist.com

President Newt? Brace yourselves

Britain's coming recession

Why India needs Walmart

France tries to stay AAA

The science of ethical foie gras

**Africa
rising**



Africa of Today

\$1.8 trillion

Africa's collective GDP, roughly equal to Brazil's or Russia's

316 million

the number of new mobile phone subscribers signed up in Africa since 2000

60%

Africa's share of the world's total amount of uncultivated, arable land

52

African cities with more than 1 million people

20

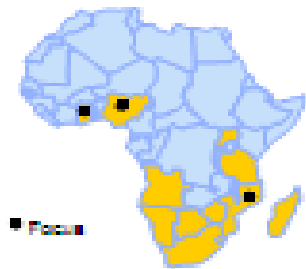
African countries with revenues of at least \$3 billion

12

African countries with GDP per Capita greater than China

Rising Investments

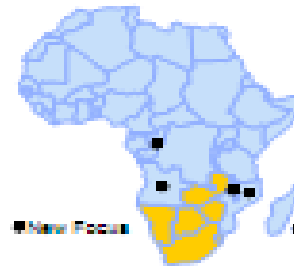
SHOPRITE 



- Present in 15 African countries
- Plans to add 13 new stores in the 2011 financial year
- Nigeria, Ghana, and Mozambique are priorities

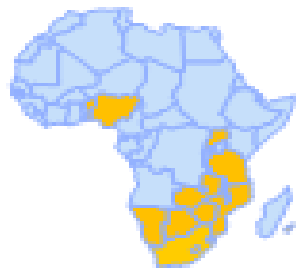
Pick n Pay

Inspired by you



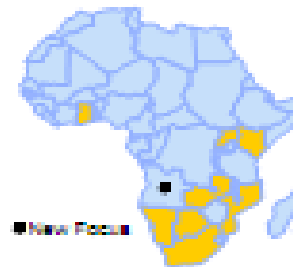
- Present in 7 African countries
- Looking to expand into 5 more before the end of 2011
- Plans to have a up to 100 stores outside South Africa in the next 4 years

Walmart 
MASSMART
Inspired to make



- Massmart present in 14 African countries
- Walmart may also be more aggressive in the roll-out of Cambridge Food stores and the expansion into Africa

WOODWORTHS



- Operates in 8 countries
- Plans to enter Angola and was looking to
- Plans to expand their existing operations in Mozambique, Zambia, Ghana and Uganda.

Motivation

- Disaggregated African-Specific Modelling Framework
- Why?
 - Private & Public sector investment in regional Agriculture
 - Regional Trade Policy
 - Regional Food Security Initiatives
- Long-term Goal
 - Data & Capacity limitations
- Need for Cooperation
 - On a regional level:
 - ReNAPRI
 - AERC Collaborative Masters Program
 - On an International level:
 - FAPRI at the University of Missouri, Michigan State University, and the FAO

Activity 1: BFAP South African Model

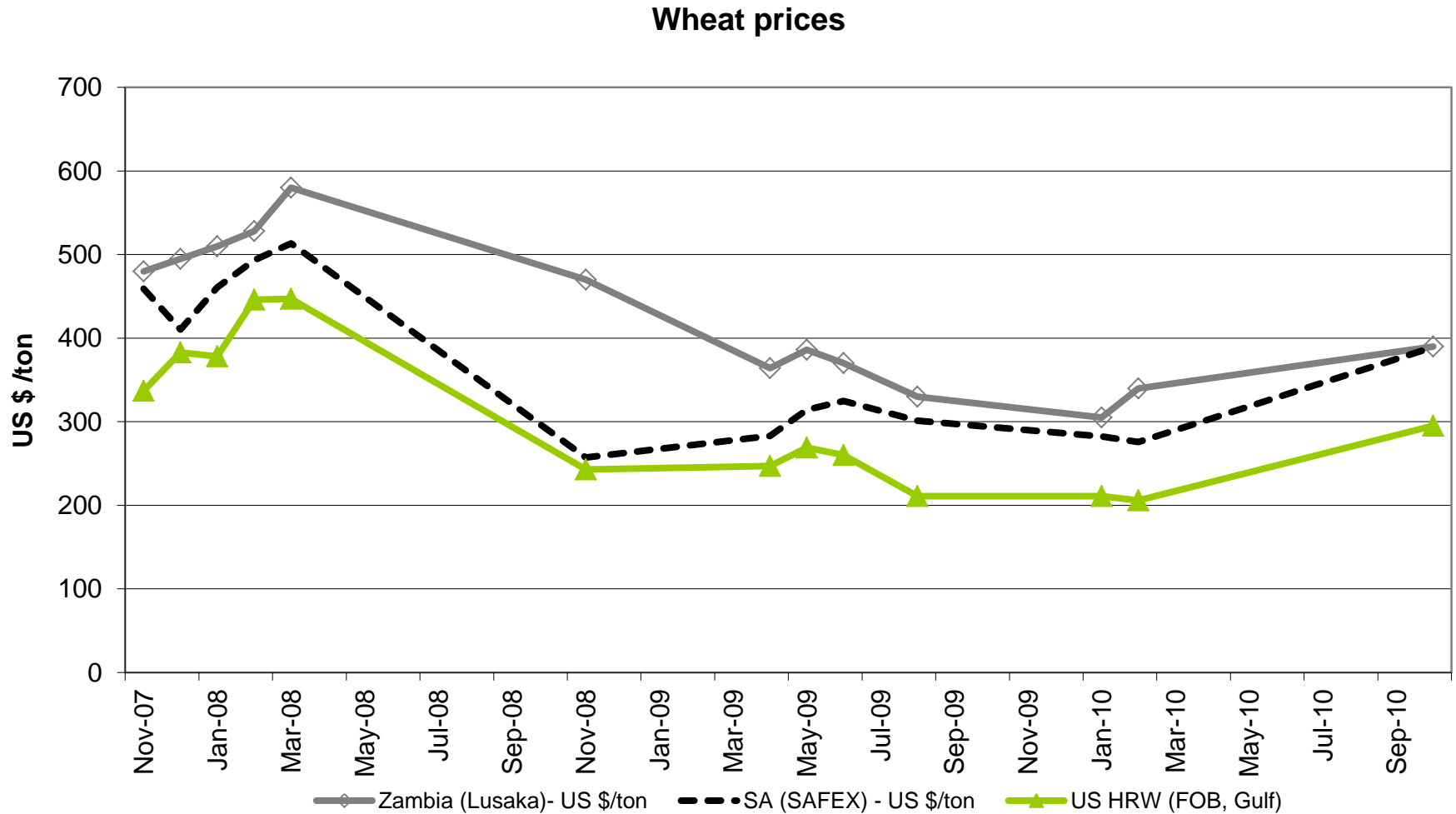
- 10-years old
- Partial Equilibrium Modelling Framework the models 44 commodities

Cereals	Oilseeds	Livestock & Dairy	Horticulture & Viticulture	Other
White Maize	Sunflowers	Chicken	Wine (x9)	Petrol
Yellow Maize	Sunflower oil	Beef	Table Grapes	Diesel
Wheat	Sunflower cake	Sheep meat	Apples	Paraffin
Sorghum	Soya beans	Pork	Potatoes	Bioethanol
Barley	Soybean oil	Wool	Sugarcane	Bioethanol gel
	Soya cake	Eggs	Sugar	Biodiesel
	Canola	Dairy (x5)		DDG
				Requisites

Activity 2: IAPRI Zambian Model

- First Attempt at a Regional Outlook
 - Partnered with IAPRI, Zambia
- Commodity coverage:
 - Wheat, Maize and Sugar

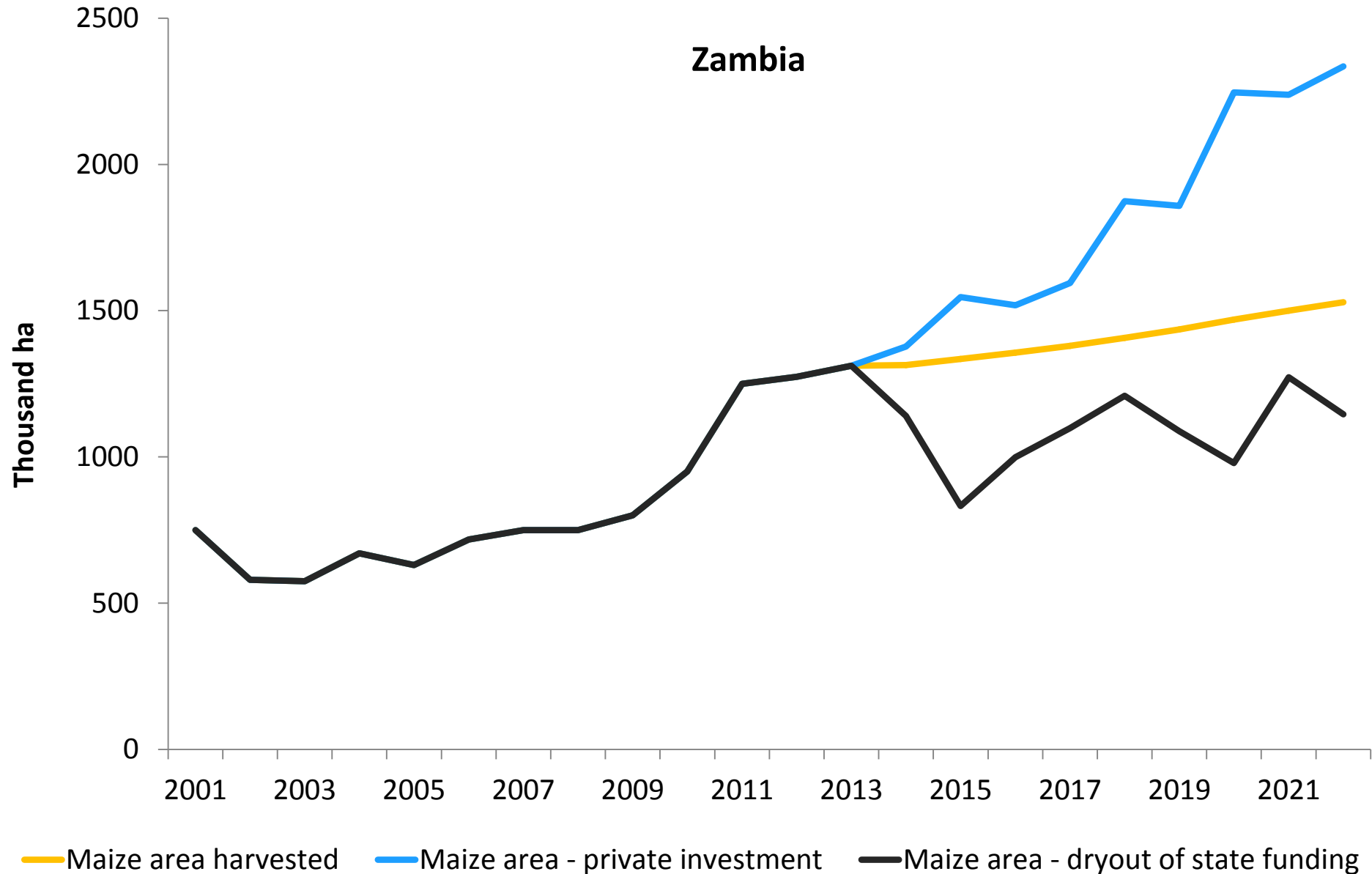
Zambian wheat prices



Zambian maize prices



Zambian Maize Area planted Scenario Analysis



Lessons Learned

- It is not about the modelsbut rather about the economic intelligence
- We are not into “re-packing” of aggregate indicators.....we follow a bottoms up approach.
- Knowledge gap to be filled before conducting meaningful foresighting/outlook for Africa:
 - Production systems
 - Food consumption patterns
 - Policy environment
 - Value-chain structures etc.

Way Forward

- Long-term vision of building capacity to develop models at farm, sector and macro level.
 - Building on solid foundation of institutions that have existed in the region for more than 10 years
 - Next Step: Kenya
- Key output:
 - African Outlook to be presented at annual conference
 - Annual outlook publication

Thank You