Private sector tipped on developing agriculture

By Benon Ojiambo

The private sector has been tipped to take the lead in developing the country's agricultural sector by investing in areas that are facing challenges.

The call was made during a panel discussion on the role of the private sector in building a sustainable agribusiness in Africa. This was during the Confederation of Indian Industry EXIM bank regional conclave on India and East Africa at Speke Resort Munyonyo on Tuesday.

The panel also discussed lessons that East Africa can learn from India's experience in increasing agricultural production and value-addition.

Ramkumar Menon, the chairman of World Spice Organisation and head of business committee at All India Spice Exporters Forum, identified investments in agricultural mechanisation, building storage and post-harvest handling facilities as some of the interventions the private sector needs to do in the agricultural sector.

He said the agricultural sector is mainly made of smallholder farmers, composed of about 90-95% of the players, but they lack the equipment to increase production and add value.

"They mainly carry out rain-fed agriculture. When there is drought, production will dwindle and when there is excess rain, it will also be affected. There is need for irrigation facilities and mechanisation.

"There is also a challenge of post-harvest handling, where about 20-30% of the produce is lost between harvest, transportation and storage stages of production.

"Investors, if you are interested, there is a big gap in areas of mechanisation and irrigation facilities," Menon said.

He also urged the private sector to always consider the market requirements before they produce other than concentrating only on the supply side.

Rita Teaotia, India's commerce secretary, said Africa's agricultural sector suffers from challenges such as low productivity, fragmented production systems and limited use of technology.

She cited solutions that have been developed in India that could be adopted in East Africa, such as agro-technology and innovations to boost agriculture.

"Two decades ago, our agricultural production was low, but this has gone up enormously. Our agricultural exports to Africa have grown from about $800m to $4b between 2009 and 2013," Teaotia said.

"Because of this trend, we have developed collaborations in research with institutions that have come up with responses to the challenges the sector was facing," she explained.

Barbara Mulwana, the chairman of Uganda Manufacturers Association, said the private sector is looking at improving various aspects of agribusiness, such as storage, transportation and irrigation as it seeks to grow the agricultural sector.

She also said they intend to pick lessons from India on how to take advantage of the internal market and how to sell products to other countries.

Uganda's private sector was also urged to seek partnerships with international players in the sector to ensure transfer of skills and technology.

"By joining hands with international players, you are able to upgrade facilities, get best management practices, as well as good manufacturing and packaging practices in place," Atui Chaturvedi, the president of the Solvent Extractors' Association of India, said.

Chaturvedi also underscored the need to invest in infrastructure such as warehousing and storage facilities that can increase the shelf life of a product.

Private sector

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