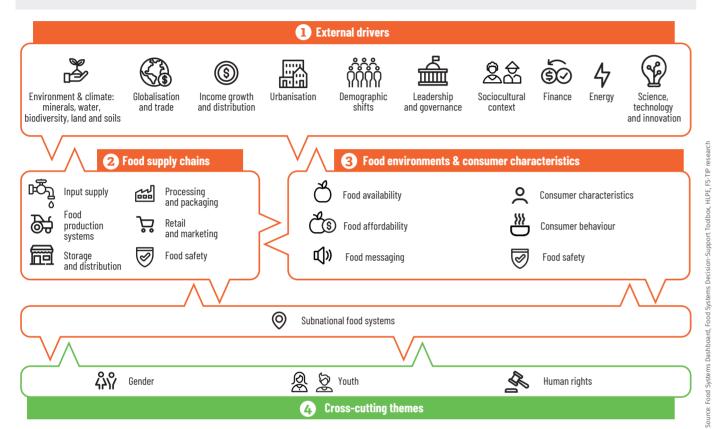
# LEAD-IN

### What impact do partnerships between farmers and businesses have on the sustainability of food systems?

## Food systems: many interdependent components



According to the High Level Panel of Experts on Food Security and Nutrition, a food system embraces all the elements (environment, people, inputs, processes, infrastructures, institutions, etc.) and activities that relate to the production, processing, distribution, preparation and consumption of food, and the outputs of these activities, including socio-economic and environmental outcomes. This holistic approach makes it possible to examine each of the elements from production to consumption, as well as the causes of its dynamic and the strategies of the different actors. (p. 6-7-8)

#### The food economy **from production to processing**

# KEY FIGURES



of regional GDP is generated by the food economy



of the population generates its income or produces its own food supplies through the food economy



90 % f the calories cons

of the calories consumed in West Africa are produced in the region, which presents an opportunity for the agricultural sector

(sources: Maps & Facts, no. 4, April 2021, SWAC/OECD; Bricas N., Tchamda C. and Mouton F. (Eds), 2016, L'Afrique à la conquête de son marché alimentaire intérieur. Enseignements de dix ans d'enquêtes auprès des mênages en Afrique de l'Ouest, au Cameroun et au Tchad. Paris, AFD, Coll "Études de l'AFD" n°12)

#### What do sustainable partnerships

between farmers and agrifood companies seek to achieve?

# • Generate pro • Be flexible a • Share risks Each (Small farme

#### **Shared objectives**

- Generate profit and share value added
- Be flexible and able to adapt to market fluctuations

Each actor also has its own specific objectives (p. 10-11) (Small farmers, farmers' organisations, cooperatives, small-enterprises, SMEs, large companies both upstream and downstream, etc.)





#### **Farmers**

#### **Focus**

- Ensure sustainable crop sales
- Agree on price in advance
- Have access to loans
- Enjoy secure market access
- Boost yields

#### Risks

- Dependence on the buyer
- Default by the buyer
- Fewer crops for self-consumption

A wide variety of partnership models...
• Contracts for crop purchase and/or input supply

Partnership agreement with no direct marketing, etc.
"Contracts" may be formal or informal, oral or written

Unbalanced contract

Contract farming

Joint venture





#### Upstream and downstream companies

#### Focus

- Win farmers' trust and loyalty
- Secure and diversify supply
- Achieve economies of scale
- Improve quality

#### Risks

 Commitments not met (quality, quantity, repayment of inputs)





#### **Public authorities**

- Supervise and help create a supportive and secure legal environment
- Strengthen the influence and structuring of farmers' organisations for balanced contract farming



- Structuring of local value chains
- Economic vitality of local communities and actors in local food systems
- Strengthening of regional food sovereignty and self-sufficiency



In the early stages of the effort to establish partnerships between farmers and agrifood businesses, it was necessary to structure the different value chains in West Africa, the fast-growing regional private sector, farmers struggling to connect with the market, etc. The widely used traditional forms of oral partnership are not suitable for all value chains, nor are they secure. A number of difficulties are encountered when it comes to formalising those partnerships: mutual trust, balance of power in negotiations, etc. Public authorities have an important role to play, given their impact on the development of the agricultural sector and food system (p. 26-27; 36-38).

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