

David vs. Goliath: a revolution in Africa's farm structures

By [Louise Brodie](#)

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Should development follow the current small farmer route (David), the large-scale agribusiness development route (Goliath), or a combination of the two?



This was the debate at one of the panel discussions on Day 2 of the Food and Agricultural Management and CCA Agribusiness & Food World Forum at the Cape Town International Convention Centre (CTICC).

Growth Figures for Africa and the availability of arable land, water and sunlight have placed the spotlight squarely on Africa for potential future agricultural production. The way to optimise this to meet growing world food demands formed the basis for the discussion, led by Professor Ferdi Meyer, executive for the Bureau for Food and Agricultural Policy (BFAP).

The event received special presentations by:

- Lulama Traub, Value-chain and Policy Analyst, University of Stellenbosch, Bureau for Food and Agricultural Policy
- Milu Muyange, Assistant Professor, Agriculture, Food and Resource Economics, Michigan State University
- Antoin Ducastel, CIRAD Research Fellow, University of Pretoria

Africa has been estimated to have a potential 200m hectares of arable land but more realistically this is somewhere between 80 and 160m. The arable land is mostly in a handful of countries in sub-Saharan Africa, mainly in the DRC, Congo, Mozambique, Zambia and Angola. About two thirds of this is currently virgin forest land and this cannot be cleared without massive negative environmental impacts. Some of the land listed as arable does not have enough water for effective farming. Land usage across the continent varies considerably according to the local resources and as a result 1% of the landmass carries 16% of the people and 20% of the land carries 67% of the population.

A trend for some smaller farmers is to acquire surrounding land and consolidate their farms to be larger units

A study in Kenya showed that there is a trend for some smaller farmers to acquire surrounding land and consolidate their farms to be larger units, thus scaling up from small scale farmers (1-2ha) to medium (10ha) and large (30 or more hectares) scale farming. Some of these are people who have inherited land from their families and others are businessmen or civil servants that have bought land.

Although there are projections about these vast resources of arable land, there are frequent and often violent conflicts between people throughout about land ownership. This is because population growth has led to the shrinking size of farms and in many cases farms have become too small to sustain families.



East Africa and then Southern Africa are the two regions on the continent most affected by large scale planned land acquisitions. Other areas of specific focus are the Nile and Niger River basins. The primary investors are mainly from western countries followed by emerging and Middle Eastern markets. The land deals propose to use the land mostly for agriculture and forestry. Although there are a significant number of land deals that are reported to be in process, a number have failed and the vast majority have been pending for many months (some for years) and have not been concluded. Of the total of 100% proposed land deals during the past few years, only 1.7% of this land has been successfully bought and been developed.

The trend towards the establishment of large agribusinesses is gaining momentum

As land ownership throughout much of rural Africa is fragmented into small parcels of land owned by many small farmers, acquiring portions of land large enough for development by agribusinesses is very difficult. Security of tenure is also a concern as foreign nationals and companies investing in land run the risk of losing the land due to political instability, government intervention or nationalisation. Despite the issue of land ownership, the trend towards the establishment of large agribusinesses is gaining momentum in some African countries such as Zambia where the government is making large uninterrupted tracts of land available for development.

One of the agricultural models that have the potential for growth and future success is the outgrower scheme. This is where small farmers are provided with the resources (seed and fertilizer) that they need and grow the product for delivery to a big agribusiness that buys their product from them. This can assist small farmers to increase both their yield and income and possibly assist them to expand their farming operations as well.

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