**Addressing value Chains and policies to enhance youth and women in African agriculture**

In the previous article, we examined the hurdles facing Africa’s agriculture ranging from the limitations of scale and market impediment. In this article, we pick out value and supply chains and policies as prime areas of consideration.

**Youth and Women Entrepreneurs in the Value Chain**

Development of agriculture in Africa will allow the continent to overcome at least three challenges: unemployment, food insecurity, and by extension, civil conflict. Value chains have three core shortcomings: low capacity among farmers, little government involvement especially in funding R&D and extension, and, consequently, low private sector involvement in availing latest farming technologies. One way is to invest in the [agricultural value chain](http://chede.org/chede/wp-content/uploads/2014/04/Agricultural-Value-Chains-in-SSA.pdf) and to facilitate women and youth to participate. Given the challenges of shrinking land size and climate change, opportunities exist up the value chain, most visibly the processing of agricultural produce and the production of inputs like fertilizers and chemicals. [Many researchers have vouched for value addition](https://www.gtreview.com/supplements/gtr-africa-2019/little-value-added-africas-soft-commodity-value-chain/) to mitigate volatile prices of primary commodities even outside agriculture. For instance, Ethiopia and Kenya, leading coffee producers globally, have very low value addition processes. Liberia continues to export almost all its rubber and imports tires even though it is a leading rubber producer. This can be said of many more agricultural produces across the continent. If Africa’s agriculture could capture a small portion of the value difference between raw materials and final products, it would massively benefit the economies and the farmers. To allow for value addition, domestic and international trade-in-agriculture policies need to be addressed.

Agricultural value chains offer a large opportunity in value addition of agricultural commodities instead of relying on the export of primary agricultural commodities. For instance, Côte d’Ivoire and Ghana are well known Cocoa producers, accounting for 63% of global output worth US$ 5.75 [Billion](https://www.econstor.eu/bitstream/10419/184687/1/1039833039.pdf). However, the two countries account for 6% of global chocolate market worth US$ 100 Billion, with the chocolate production mantle belonging to the Swiss. The president of Ghana has captured this well, announcing that Ghana would [no longer export raw Cocoa to Switzerland](https://www.youtube.com/watch?v=DbvocKxDtSc&t=382s). He said:

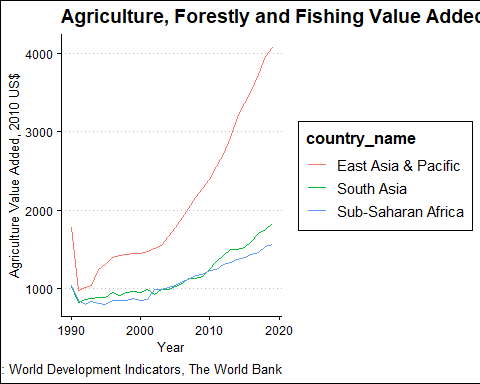
“Ghana’s is, currently, Switzerland’s largest trading partner in Sub-Saharan Africa, largely from the export of Gold and Cocoa and the import of chemicals and pharmaceutical products as well as light machinery and military equipment from Switzerland. However, as I have stated on several occasions, Ghana no longer wants to be dependent on the production and export of raw materials, including cocoa beans. We intend to process more and more of our cocoa within our country with the aim of producing more chocolate ourselves because we believe that there can be no future prosperity for the Ghanaian people in the short medium, and long term if we continue to retain economic structures that are dependent on the production and export of raw materials” - Ghanaian president Nana Akufo-Addo in a Speech in Switzerland, March 10, 2021.

The speech by the Ghanaian president captures the spirit that will allow more Africans, mainly the youth and women to participate in and benefit from agriculture through value addition. Political will has been a significant stumbling block in the development of agriculture in Africa and the development of more democratic environments allows the citizens to question the policies passed by the political class.

Initially, most of the processing of African agricultural produce happened where the consumers were, in Europe and America. However, with a rising middle class in Africa with a taste for produce such as coffee, chocolates and many more, Africa should harness its youthful population to process primary products and take advantage of the population dividend. With a population projected to hit 2 billion by 2050, this budding market ought to be taken seriously. In some places, this is beginning to take shape. Rwanda, for instance, has embarked on local assembly of VW vehicles instead of importing them whole, shifting some of the value chain locally. The idea of tax breaks for completely knocked down vehicle parts implemented in Rwanda could work for agriculture too.

However, figure 1 below shows that Africa has really underperformed in terms of agricultural value addition. While East Asia and the Pacific show a meteoric rise in value addition, consistent with the green revolution in these regions, Africa’s levels remain the lowest, at par with war torn countries in South Asia like Afghanistan.

Figure 1: Agriculture Value-Added 1990-2019, Constant 2010 US$



Africa may have an abundance of natural resources, but it suffers from a reverse dependency technology. The tax incentives would allow for acquisition and adoption of foreign technology. It is with the growth in the scale of production that firms would have resources to invest in R&D. The producers could source other inputs into the value addition, like milk and sugar in the case of cocoa, but get some tax relief if they need to import extra quantities. Moreover, some export duty and tax holiday on value added products would motivate more value addition. With the major global markets dominated by brands from the developed world, Africa’s value addition focus should aim at meeting the demands of local, regional and niche [global markets](https://www.econstor.eu/bitstream/10419/184687/1/1039833039.pdf). The coming into force of the Africa Continental Free Trade Area agreement opens up the chance to take up regional markets.

The development of Africa’s agricultural value chain is not only limited to local politics as international trade politics are at play too, especially the trade deals between Africa and the West. [Some commentators](https://www.sciencedirect.com/science/article/pii/S0305750X10000975) argue that the trade deals that Africa and the West enter compete with the agricultural ventures that smallholder farmers could profitably engage in, like poultry. Others have [argued that](https://www.tandfonline.com/doi/full/10.1080/03066150.2019.1708724) international trade politics serve to preserve the agricultural interests of the elites in the developing world by trading them off with the legitimate interests of the poor. [A case in point](https://www.sciencedirect.com/science/article/pii/S0305750X10000975) is where elites enter deals to sustain exports of cut flowers into European markets and allow the heavily subsidized European farmers to import products that smallholder farmers in Africa produce.

[The United Nations (UN) Expert Group Meeting](https://www.un.org/en/africa/osaa/events/2017/africaweek-financing.shtml) titled “*Financing Africa’s Infrastructure and Agricultural Development: Inclusive Growth for Economic Transformation*” lays out the bare minimums at the government level to support infrastructure growth in Africa; stop the bleeding due to illicit financial flows, cut back excessive tax incentives for foreign direct investment, and curb the hoarding of sovereign funds in foreign banks. Similarly, the Comprehensive Africa Agriculture Development Programme (CAADP) of NEPAD lays down the core of [infrastructure requirements](http://www.fao.org/3/y6831e/y6831e-02.htm).

Among the critical infrastructural gaps in agriculture, especially afflicting women and the youth is access to finance. The financial infrastructure in Africa has not afforded the two groups access to credit, savings, and insurance. Both the state and the private sector hold the key to developing infrastructure in Africa. However, many countries on the continent are yet to meet the 10% of GDP investment threshold set out in the Maputo declaration of 2003.

In conclusion, stakeholders seized with the need to place youth and women at the centre of the much-talked-about agrarian revolution would have emphasis broader and interlinked issues of value chains and domestic and international policies.