

REACHING SMALLHOLDERS THROUGH PUBLIC-PRIVATE PARTNERSHIPS IN LATIN AMERICA AND THE CARIBBEAN

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Regional Mandate:

Joint Summit Working Group of the Summits of the Americas Process



Since Quebec 2001, IICA was mandated by the Heads of State and Government to promote joint hemispheric action on the part of all actors in agriculture for the purpose of bringing about the sustainable improvement of agriculture, food security and poverty reduction

Confronting Our Reality

- By 2050, the world's population will reach 9.1 billion; 34% higher than today. Nearly all of this population increase will occur in developing countries
- Currently, 53 million people are undernourished in Latin America and the Caribbean Region (LAC)
- Nearly 9 million children under the age of 5 in the LAC region suffer from chronic malnutrition
- In 2009, the number of people living in moderate poverty (\$4 per day) grew by 2.1 million compared to 2008 which totaled 168.3 million. The number of Latin Americans living in extreme poverty (\$2.5 per day) grew by 2.5 million, and has now reached 85.9 million

Sources:

<http://www.fao.org/docrep/013/i1683e/i1683e.pdf>

http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22725586~pagePK:64257043~piPK:437376~theSitePK:4607,00.html?cid=3001_5

http://new.paho.org/hq/index.php?option=com_content&task=view&id=3540&Itemid=1926

http://www.fao.org/fileadmin/templates/wsfs/docs/expert_paper/How_to_Feed_the_World_in_2050.pdf

Agriculture in LAC Region

- Small family farms account for nearly 40% of agricultural outputs in Brazil and Mexico and more than 60% in Central America
- Average contribution from primary agriculture production to the GDP is approximately 10% (40% if we add the outputs of the entire value chain)
- There are approximately 14 million farms under 2 hectares in the region. They contribute between 30-60+% of the total agricultural production, work over 50% of the land under cultivation and constitute more than 60% of the agricultural labor force.
- Capable of significant growth throughout the hemisphere
- Can increase south-south transfer to Africa
- Growing awareness that agriculture is a key component to improve economic development, food security and environmental sustainability with social inclusion

Sources:

- The Outlook for Agriculture and Rural Development in the Americas: A Perspective on Latin America and the Caribbean, 2009
- Smallholder farming key to development in Latin America and the Caribbean - http://www.ifad.org/events/op/2009/editorial_brazil.htm
- Family Agriculture Policies in Latin America and the Caribbean- FAO.IDB, 2007

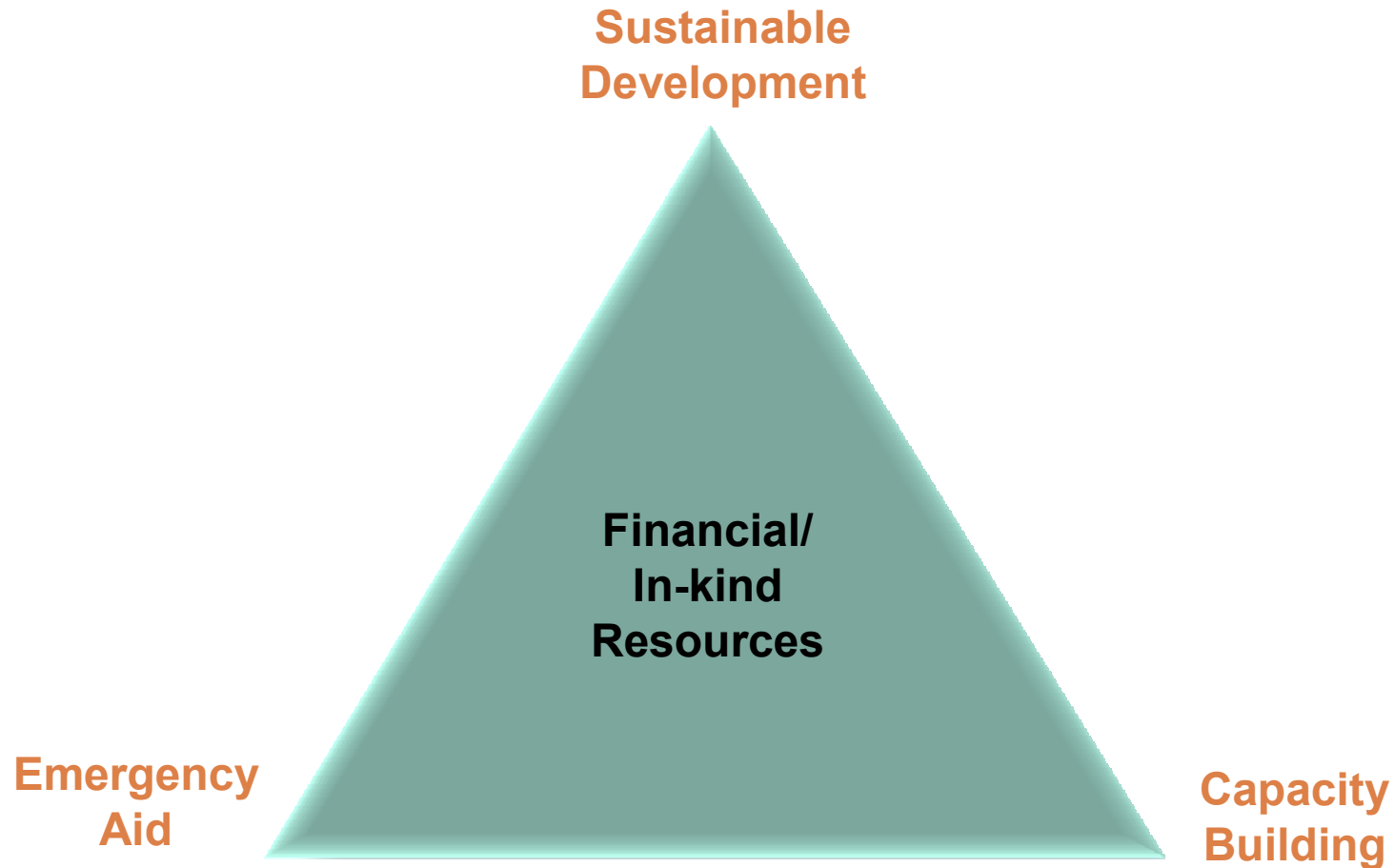
Who Has a Role?



- Governments
- International Organizations (IO's)
- Non Governmental Organizations (NGO's)
- Private Sector
- Universities
- Civil Society

The key is to channel these efforts in a collaborative way to avoid dependency and create sustainable development

The Public-Private Sector Triangle



Lessons Learned in the Public Sector



- Environmental stewardship is essential
- No one organization can address the issues alone
- Seek complimentary strengths with others
- Emergency aid is not a sustainable solution
- Solutions should fit within a country-sanctioned framework: Brazil's Zero Hunger
- Sustainable agriculture requires a vibrant private sector

Lessons Learned in the Private Sector



- Use merger/ acquisition models-find synergies and common cultures
- Risk management discipline is fundamental
- Identify and focus on best return on investment (ROI)
- Strategic partnerships: align on common interests and comparative advantages
- Achieve internal efficiencies
- Share best practices and apply benchmarking

“Creating Partnerships with Growers & Suppliers to Implement: Practical Solutions On Sustainable Agriculture”

- Topics include:
 1. Strategies and Benefits of Building Innovative Partnerships
 2. Applying Social and Environmental Metrics to Farming Operational Practices
 3. Practical Tools for Measuring and Reducing Water Foot Prints
 4. Sustainability: What have we learned?
 5. Creating Management Programs and Sustainability Metrics for Water Intensive Crops in Latin America
 6. On-farm Irrigation Practice and Technology: Separating Myth from Reality
 7. Sustainability Performance Measurement Systems
 8. Ensuring Viability and Support to Small Holder Farmers
 9. Working from Farmers on Implementing Climate Change Mitigation & Adaptation Strategies
- Question: What percentage of the speakers came from the public sector?
- Question: How often do we see the private sector speaking in public sector organized forums?

The Sleeping Giant aka Our Small Farmer



http://www.forerunner.com/blog/uploaded_images/gulliver1-722913.jpg

Leverage Resources: ROI



- Promote efficient value chains
- Create access to information through modern technologies: education and extension
- Provide training: business management practices, good farming practices
- Address land ownership
- Provide affordable credit and insurance
- Attract the rising generation to careers in agriculture

Linking Farmers to Hotels



- The St. Kitts Farmers Cooperatives (SKFC) signed an agreement with Marriott Corporation to provide produce to its hotel on St. Kitts in 2007
- Three year project funded by the Organization of American States and Canada. Technical expertise provided by IICA
- Areas of emphasis included training in business plans, financial management, best farming practices, negotiation, scheduling, pricing, post-harvest handling and record keeping using computers. Also included the purchase of some equipment (e.g. chill rooms)

Additional Examples:

1. Nevis Growers Assn. & **Four Seasons Resort** (FSR)
2. Santoy, Black Bay and Mafoota Farmers (**Sandals** Chain -Jamaica & St. Lucia)
3. Barbonneau Farmers St. Lucia and **Almond** Chain (Barbados & St. Lucia)
4. Mt. St. George Farmers, **UK Travel Foundation & Hilton**, Tobago

Agricultural Diversification in El Salvador



IICA Proposed public funding to develop fruit chains for particularly marketable niche fruit products

1. Reforestation; alternative to maize-bean related soil degradation issues (69% needs cover)
2. Capacity building from production through the entire value chain
3. Promote organization among small farmers and processors
4. Use public funding to attract private sector investment
5. Joint effort between the Ministry of Agriculture, IICA, Universities, NGO's and the private sector

Results:

1. Public investments 7 M USD, leveraged to 35 M USD private investment
2. 1.4 M work-days generated per year
3. 8,100 ha planted with fruit trees (avocado, lime, cashews, coconut and native species)

PROHUERTA- a private sector opportunity



- Horizontal cooperation – Argentina, Canada and Haiti
- Provides technical support for the organic production of fresh food grown in fruit and vegetable gardens for the use by families, schools, communities and institutions in rural, peri-urban and urban areas.
 - Feeding over 60,000 Haitians
 - 1,555 volunteer workers, 23 agronomists and technicians
 - Gardens in 66 schools, a health center and a prison
 - 10,000 gardens with 26 different species
 - Responds to other social concerns: health, education, housing, and best practices for energy production
 - After expansion, it will benefit 26,400 families in 110 rural communities in five departments over a five-year period
 - IICA is currently working with more than 475 local agencies
 - US\$35 million will benefit 1 million people

Practical Applications



- Respect Government's right to pursue its own destiny
- Support country-led food security plans through integrated projects and capacity building
- Increase investments in sustainable solutions for global food security: agriculture and natural resource management
- Pursue a holistic approach linking smallholders to markets, emphasizing women and value chain efficiency
- Coordinate efforts to use scarce resources: alignment to PPP triangle, public/private sector lessons learned
- Adhere to core values: integrity, best practices, transparency, teamwork and accountability

Practical Applications



- Analyze all policies affecting small farmers, including women, and modifies to empower and protect over the long term (access to markets, trade barriers, land ownership, access to technical information, etc.)
- Define priorities, transparent resource allocation process, and provide reasonable regulatory oversight using best practices
- Adherence by all other public sector and all private sector organizations to the priorities and regulations
- Incentives for reward private-public partnerships (e.g. resources, approvals, financial incentives)
- Apply lessons learned from both sectors
- Create multiple and continuous opportunities for information sharing, joint research, priority setting, conferences, and governance



Thank You!