

**BRITISH
AGRIFOOD
CONSORTIUM**



INVESTING IN AGRIBUSINESS

Tim Moruzzi

Ulster Business School

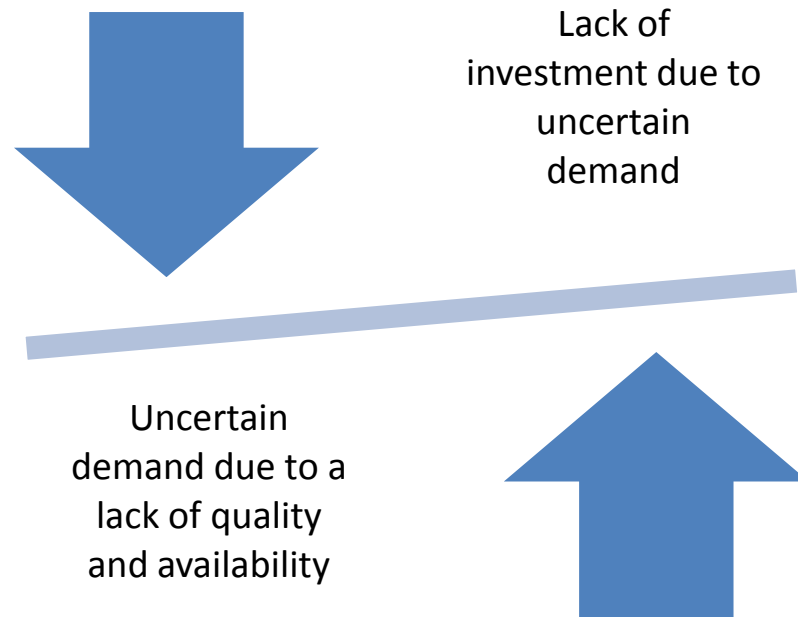
- **INTANGIBLE INVESTMENT**
- **AGRIBUSINESS INDUSTRY OF A COUNTRY/REGION**

**BAC has worked in many developing countries
over recent years.....**

.....a trend is emerging;

- + Agribusiness is a priority
- + Assistance is available (local/donor)
- + Many successes
- Governments swimming against the tide
- Private sector up-take
- Impact in markets (local/international)
- LOCAL impact
- Temporary wins, not always sustainable

FORCES OF DEVELOPING COUNTRIES



EXPERIENCE CURVE – PLANNED TO
MARKET LED

ROLES

GOVERNMENT

Food safety

- Safe, hygienic

Food security

- Sufficient, affordable

Environmental protection

- Climate, pollution

Rural development

- Employment, land tenure

Trade

- Access, protection, investment

INDUSTRY

R&D

- Near market

Supply

- Production, standards

Marketing

- Awareness, promotion

Investment

- Capital, time

Lobbying

- Legislation, Priming

UNCLEAR

R&D

- Fundamental, priming

Extension

- Advice, standards, GAP

Markets

- Intelligence, promotion, branding

Business

- Development, incubation, growth

Internal

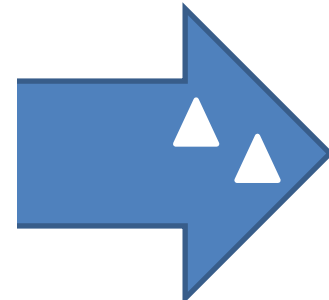
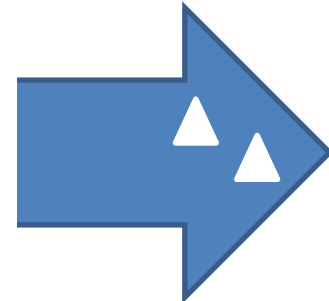
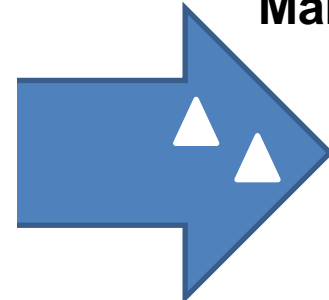
- Facilities, logistics, upgrading

SUPPLY CHAIN VACUUM

Producers



Markets



- Establish systems
- Input market knowledge
- Create a market focus



- Ensure standards
- Portfolio of services



This View is Supported By;

European Centre for Development Policy Management; Belize Nov 2008;

“there is a need to strengthen the capacity of the private sector to identify major market trends, clearly articulate appropriate response strategies and develop operational programmes to bring about the necessary trade and production adjustments”.

and....

“will need to be market driven and private sector led”

Addresses the *‘fragmented and disorganised private sector’*, (one of the 10 Key Binding Constraints identified in the Jagdeo Initiative)

STILL REQUIRES ACTIVE PARTICIPATION BY THE LOCAL PRIVATE SECTOR;

- Understanding the importance of participation
- Able to work with the industry as a whole
- Ability to compartmentalise personal and industry needs

WHAT DOES THIS REQUIRE?

- Leadership, organisation and strategic development
- Not just the quantity but the quality of policy dialogue
- Confidence from national governments in the ability of the private sector
- Confidence in the private sector to embrace and participate in change
- Effective interaction with public and private bodies for market led initiatives
- An agenda for change that addresses all stakeholders

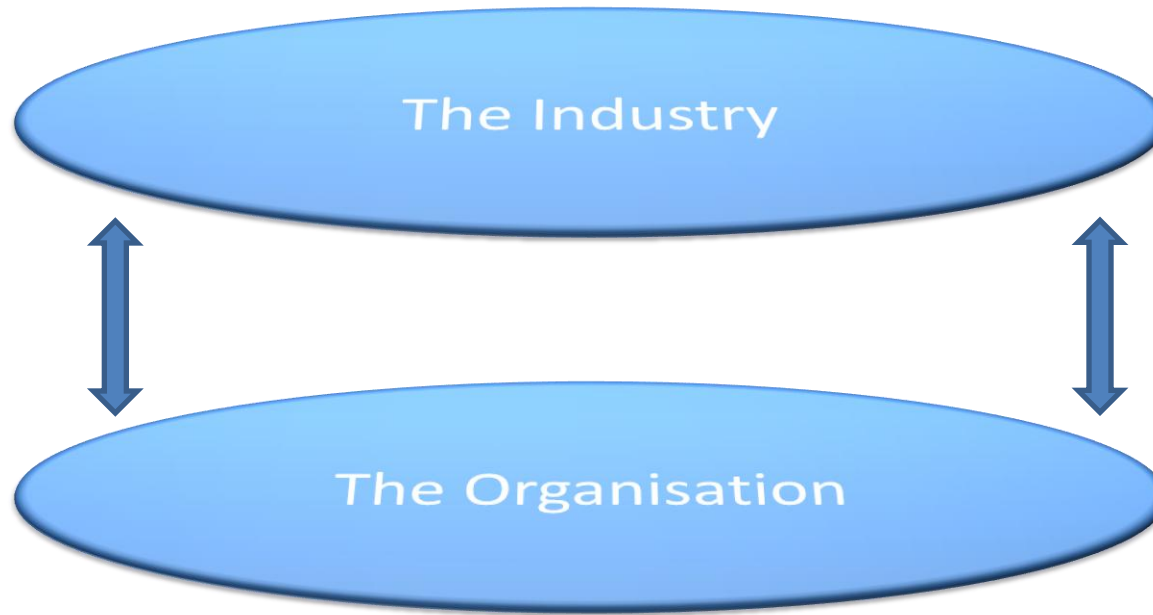
3 PRINCIPAL ACTIVITIES



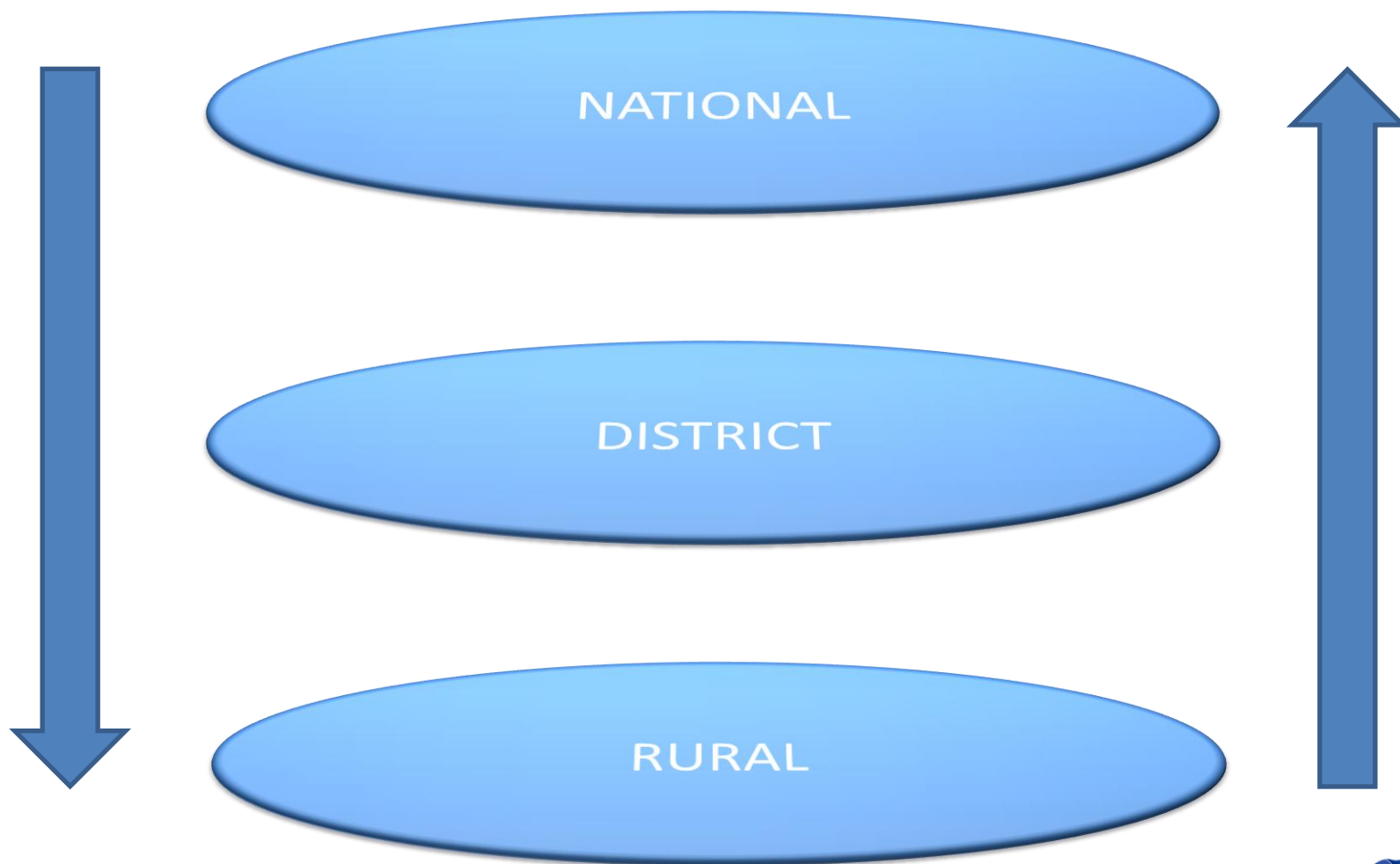
METHODOLOGY

- Relatively low investment
- Identify and recruit private sector participants
- Train (MSc equivalent at national level), 'flying faculty'
- Mentor, from international experts
- Develop key services
- Unrivalled learning experience
- By country or across countries
- Global learning environment

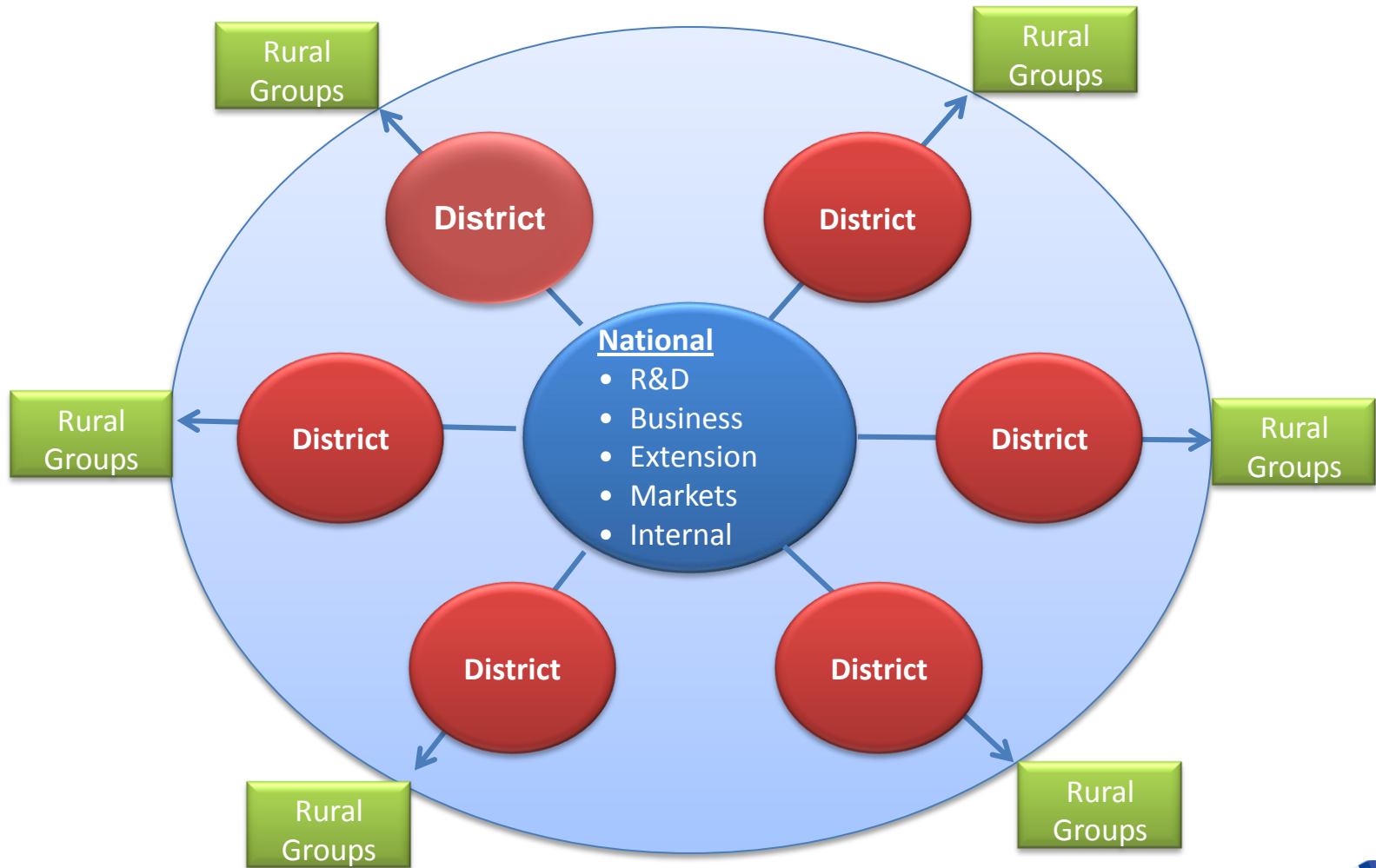
COMPETENCIES



NATIONAL ENTITY/ORGANISATION



AN ORGANISED PRIVATE SECTOR



OBJECTIVES

- Stakeholder awareness and buy-in
- Filling the vacuum
- Supply chain relationships
- Sustainable growth
- Empowered private sector