

**Keynote Address by
Shri Sharad Pawar,
Hon'ble Union Minister of Agriculture and Food Processing Industries
To Asia Africa Agribusiness Forum
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Hon'ble Ministers of Agriculture and Ambassadors / High Commissioners from Asia Nations and Africa Nations,
Representatives from FAO, WFP, AARDO, ADB and African Development Bank,
Shri Sidharth Birla, President, FICCI,
Distinguished participants,
Ladies and Gentlemen

At the outset I express my gratitude , to my ministerial colleagues from Asia and Africa for having responded so warmly to my invitation to attend the Asia Africa Agribusiness forum which has been organised jointly by the Ministries of Commerce, External Affairs, and Agriculture and Commerce , Government of India to discuss, deliberate and carry forward the agenda of food and nutrition security in a market driven environment with focus on skill development and income generation opportunities for youth in two of the world's most populous and geographically diverse continents , which are emerging as the new drivers of economic activity . I welcome all of you to India and hope that the forum generates enough goodwill and opportunities to thaw the chill in Delhi.

I am happy that FAO, IFAD, WFP and AARDO are also participating in this Conference. This will enable us to share not just regional, but also global exemplars. I take this opportunity of placing on record the exceptional work done by FAO in securing a hunger free world, by IFAD in improving livelihoods, to WFP in providing relief and humanitarian assistance during emergencies and

for the most vulnerable sections of society, and to AARDO for ushering in co-operation among the member countries. Both ADB and African Development Bank have also stimulated growth in agriculture and allied sectors, thereby providing innumerable opportunities for entrepreneurship and growth. I welcome all delegates from these multilateral agencies to this conference.

Excellencies and friends, as you are aware; I have just inaugurated the exhibition set up by FICCI as a part of the Asia Africa Agri Business Forum. The stalls in the exhibition showcase the ‘state-of-art’ technologies, best practices and innovations across the entire value chain of agriculture, food and food processing. I am sure the exhibition will be a step towards building new partnerships and collaborations across the nations represented by you, thus paving the way for promotion of agribusiness between the two continents.

Ladies and gentlemen, you may have noticed that the key word in this conference is Agribusiness, and also that the conference is being organized by FICCI, India’s leading Industry chamber. You may also recall that till very recently, governments and development organizations, including FAO were focussing only on core agriculture, and the major attention was towards increasing production and productivity especially in Asia and Africa. Fortunately for all of us, thanks to the outstanding work done by CGIAR and the NAR systems coupled with the hard work of farmers, and pro farmer policies of governments, substantial progress has been made on this front. Having addressed issues of production and productivity, we have to make the transition to profits and profitability to ensure the farmers’ incomes keep pace with those in the manufacturing and services sector. I must mention here that when we in Asia and Africa refer to farming and farmers, the reference is to small-holder agriculture. This becomes important as FAO has declared 2014 as **the year of the Family Farmer**, and all of us are committed to improving the

institutional support to family farming which is ecologically sustainable besides ensuring that the returns are spread more equitably.

Ladies and gentlemen, before I discuss India's tryst with agricultural development and share our experience of becoming the hub of global agri production in rice, wheat, milk, livestock, bovine meat, sugar and horticulture products, let me give a broad overview of agriculture's role in Africa and Asia. In Africa, over 65% of the labour force is employed in agriculture, which contributes around 32% to the total GDP. However, productivity in African agriculture lags behind other continents. The agricultural sector's weak performance is a major barrier to the development of the agribusiness sector. But the great competitive advantage for Africa is its 733 million hectares of arable land, which accounts for 27.4% of the total arable land in the world. Currently, only 183 million hectares of land is under cultivation in Sub-Saharan Africa and approximately 452 million still remain uncultivated. On the other hand, agricultural land in Asia is under pressure from increasing population and urbanisation. As such, there is an opportunity for Responsible investment in agriculture by Asian countries in Africa, but it should be as per the norms laid down by the FAO. India is very clear that while investments in Africa must lead to agricultural growth, diversification and employment, it must not be at the loss of domestic food security.

The major cereal crops of Africa are corn, wheat and rice, while bananas, pineapples and oranges are the major fruits. The major plantation crops include cocoa and coffee. But even after having enhanced and diversified agro-climatic advantages, Africa is a net importer of agricultural products. Cereals (including rice, maize and wheat), and livestock products (dairy and meat) represent more than 50% of Africa's total food imports. Africa's agricultural exports lag way behind the country's imports. 'Non-traditional' export products (flowers, semi-processed fruits and vegetables and textile products), traditional products (coffee, cocoa, tea, and spices) and tobacco constitute a significant share of Africa's agricultural exports.

In Asia, more than 2.2 billion people directly or indirectly depend on agriculture for their livelihood. The Asian countries together constitute more than 60% of the world's population and heavily depend on agriculture to meet an ever – increasing food demand. The continent has made remarkable progress in agricultural production while dealing with an increasing population and a resultant increase in the food demand. Food production has increased at a rate higher than the growth in population –largely on account of introduction of HYVs for cereals, better irrigation facilities and fertilizers, besides support for credit and an assured support price. These leanings can be, and have to be replicated in Africa, and this is the right forum for the exchange of ideas at the highest levels.

I will now dwell on India's experiences with farmers and agribusiness enterprises. We in India believe that the farmer is also an entrepreneur and a risk taker. He has also been a great innovator and adaptor but has often lost out in terms of trade and in transactions on account of several factors, most of which are related to size, scale and access to technologies, inputs and markets. But when he has worked together as in the milk, sugarcane and fertilizer sector, farmers have created some of the finest organizations. Many of you would be aware of the Amul and IFFCO which are global brands and leaders in their respective domains. In addition to co-operatives, we have also started promoting Farmer Producer organizations by providing equity and credit guarantee support. We have declared **2014 as the Year of the FPOs** and strengthened the Small Farmers Agribusiness Consortium, a specialised body that provides professional, financial and technical assistance to small farmers and their organisations, besides encouraging agri entrepreneurship.

Over the next two days, you will hold discussions on the main drivers of agriculture and agribusiness growth in the two continents. You will become aware of the production, demand, supply, processing capacity and export potential of the major commodities. This in turn will help identify various business and investment opportunities in the agriculture sector of Asia and Africa. The Discussion paper prepared for this conference also points out the

constraints, some of which are specific to individual value chains, and have to be addressed in a specific manner. Many are related to market policies, access to input markets, access to finance, infrastructure development and skill development and up gradation. There are case studies on partnership Farming and vertical integration of agricultural commodity chains, besides Farm mechanization, Food processing , Farm Inputs, fertilizers and micro irrigation .Another session is devoted to PDS and the significant strides made but states in protected cultivation, sericulture and export commodities.

I am confident that with your active involvement and interest, these sessions will become very meaningful, and will be an enriching experience for the participants. I am confident that this conference will be a milestone in the emerging partnership between the two continents, and I am glad that India is playing a catalytic role in the process.