

“FOOD SECURITY THROUGH THE COMMERCIALIZATION OF AGRICULTURE (FSCA) PROGRAMME”

**Side Event held on 5th November 2012 at the International Conference ‘Making The Connection - Value Chains for transforming smallholder agriculture’, 6th – 9th November 2012
Addis Ababa, Ethiopia**

Through the Italian Contribution to the FAO Trust Fund for Food Security and Food Safety, several projects have been funded in West and East Africa, Asia, Central America and Caribbean with the aim to enhance food security by improving commercialization of agricultural products and promoting value chain development, encompassing production, processing or value addition and marketing of products to supply local, national and international markets. So far, 15 projects for a total budget of USD 53 M have been implemented in 29 countries.

The overall objective of the programme is to support transition of smallholder agricultural systems into a more competitive and commercially dynamic sector tied to the improvement of the food security in the countries and regions. The situation analysis has shown that most small farmers lack access to and understanding of market standards, experienced high on farm spoilage and post-harvest losses, and had limited access to value addition techniques to improve food safety, sales and incomes. By applying a value chain approach, supporting institutional strengthening and capacity development of farmer groups, associations and cooperatives and micro, small and medium rural enterprises the projects aim to improve the income of all value chain actors and household food security.

The programme has been articulated around four main pillars: i) Support to Producers and value chain actors organizations, ii) Strengthen service provision to support value chain processes and innovation, iii) Support value addition and marketing, with quality improvement and understanding of marketing standards through capacity development and institutional strengthening of producer, processor and trader associations and cooperatives; and iv) Support to institutional framework for improving market development and promotion, and public-private partnership (include regulatory reforms proposals).

The purpose of the side event was to present and discuss the approach adopted at field level to ensure agri-food value chains development, including main challenges, lessons learned and best practices.

Main lessons learnt and identified best practices include the need to support a shift in mindset from productivity increase interventions towards an integrated pro-poor approach based on market dynamics targeting not only production but the entire value chain. Focus on existing associations and cooperatives, where feasible, and support to their legalization in order to be able to access formal markets ensures more chances for success. In addition, the relevance of addressing demand-driven interventions was stressed as a pre-condition for the sustainability of integrated ‘packages’ which are not based on a 100 percent grant provision but rather emphasize the cost-sharing participation from beneficiaries, cooperatives and micro, small and medium agricultural enterprises. Inclusive market linkages have emerged as recurrent requests from associations and cooperatives, together with the facilitation provided by FAO in designing formal contracts, meeting quality standards, equity in value chain benefits through balancing market information asymmetry. Support to access value chain finance mechanisms has been identified among key interventions to be promoted, together with the role to be played by Governments in ensuring an enabling environment.