



THE IMPORTANCE OF PHM IN SUB-SAHARAN AFRICA'S SOCIO-ECONOMIC DEVELOPMENT

The Importance of Improved PHM?

Drivers for Improved PHM?

Public & Private Roles?

Not Private

Steve Sonka

Sept 12, 2017

1. PHM--A Virtuous Cycle:

Harvest “abundance”
fosters PHL



Effective PHM can

- * Increase supply
- * Reduce environmental pressure
- * Enhance farmer income -- if

Thru

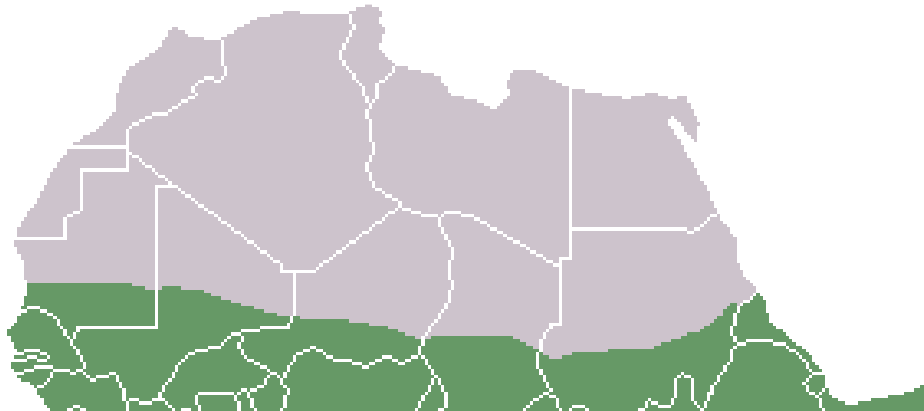
- * Storage
- * Aggregation
- * Conversion

PHM materially alters
the farmers' role
in the supply chain

- Which can:
- Support rural economies
 - Enhance the community

By creating markets

Ag in Sub-Saharan Africa



Agriculture

> 15 % of GDP

> 50% of total labor force

80% of farms are small-hold farms

Employ > 175M people

50% of farmers are women

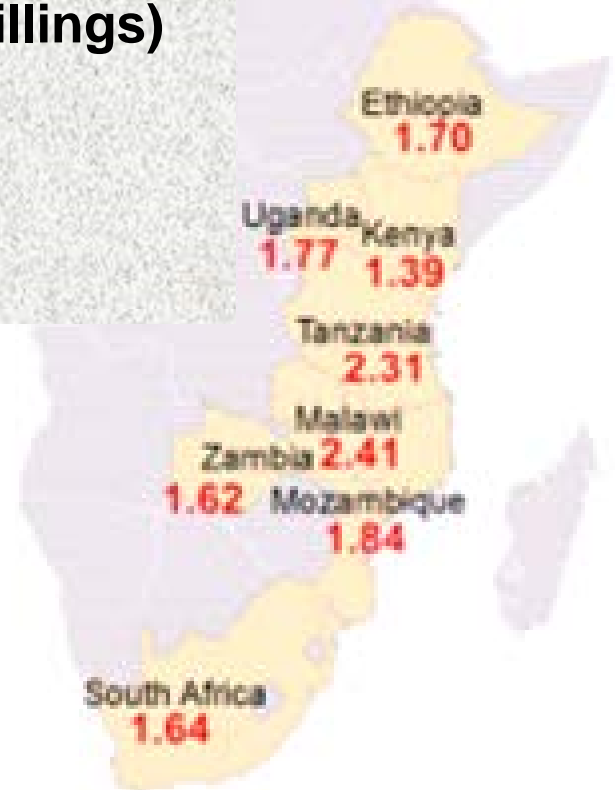


Gains from Effective PHM

**Maize price ratio:
High month/Harvest month**

Maize Income in Tanzania (100Kg in Shillings)

Sold @ Harvest	7,652
Sold In February PICS bags	18,750



2. Drivers for Improved PHM

Enhancing Private Sector Development: An engine for Africa's Inclusive Growth (African Development Bank)

The era of private-sector led agro-industrialization (UNDP)

Aid to Africa: Private sector investment becomes new priority (The Guardian)

2. Drivers for Improved PHM

Enhancing Private Sector Development: An engine for Africa's Inclusive Growth

How?

- Corporate social responsibility
- Creating, improving, sustaining markets

Ai

... new priority (The Guardian)

Innovation & Market Creation

Developed Country Context



Institutional
support



Generating
demand



Make it “work”



Supply Chain

Innovation & Market Creation

Developing Country Context



Institutional
support



Generating
demand

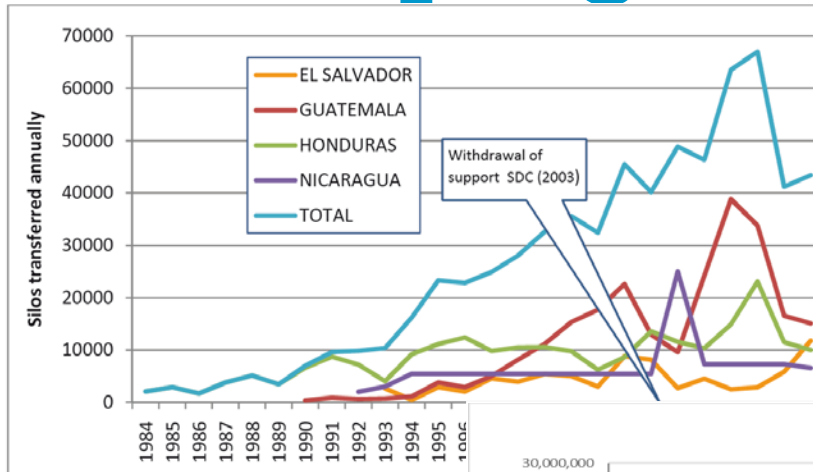


Make it “work”



Supply Chain

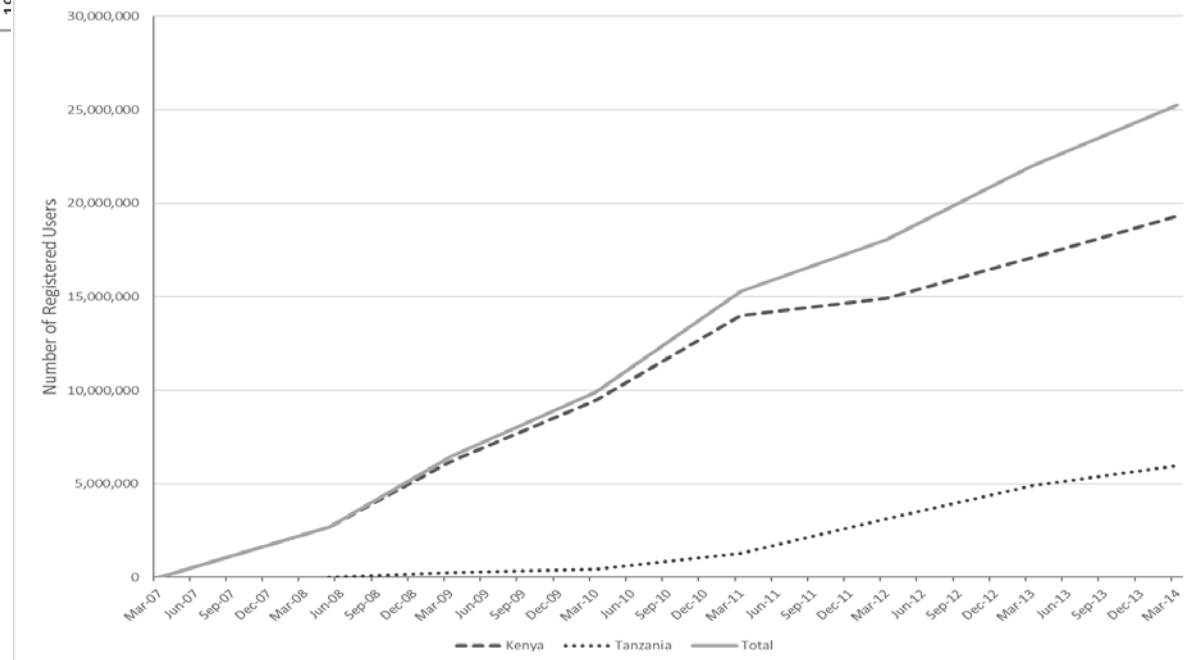
Innovation to Markets: Two Developing Country Successes



M-Pesa--DFID/
Vodafone & Safaricom

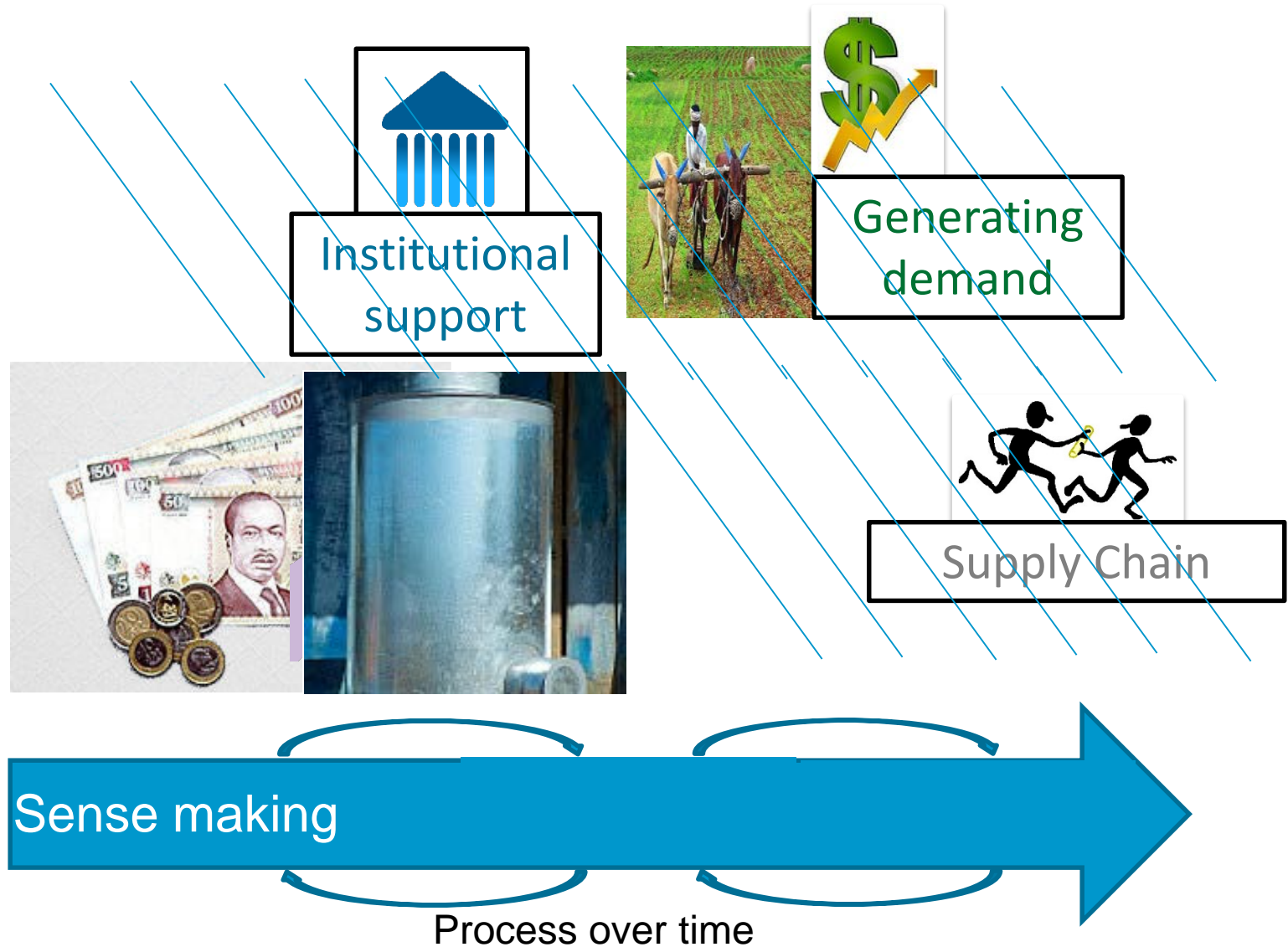
Diffusion of M-Pesa

Postcosecha--
SDC/tinsmiths



Innovation & Market Creation

Developing Country Context



Initial Insights

1. Strong customer (market creation) focus
2. Experimentation w/in implementation plan
3. Targeted circumvention of institutional gaps
4. Government engagement
5. Roles of public and private entities:
 - Very different between cases
 - Over time, success....
 - Public entity = exit
 - Private entity = continuity and growth

Wrapping Up

The Importance of Improved PHM?

- Less PHL likely is a good thing
- Effective PHM which fosters economic opportunity is a better goal

Drivers for Improved PHM?

- Private sector increasingly seen as essential
- Innovation & market creation link to economic opportunity
 - Execution is difficult
 - Existing knowledge base focused on developed economies

Public & Private Roles?

- Important initiating & catalytic role for non-private sector entities
- As sustained success occurs, the non-private sector role diminishes



Thank you!

Steve Sonka

Fellow, Ed Snider Center

for Enterprise and Markets

University of Maryland

ssonka@umd.edu