



## **AFRICA FOOD SECURITY: ISSUES OVERVIEW**

### ***March 2015***

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#### **The Background**

Over the next 35 years, the global population will grow by more than two billion people, with more than half of this population growth in Africa<sup>1</sup>. To feed Africa's fast-growing population, its annual food production will need to increase by at least 70% by 2050. Even with advances in technologies and efficiencies, projections are that food production will fall far short of this requirement.

At the same time, Africa offers vast opportunity. Africa is home to the world's youngest population and seven of the world's 10 fastest growing economies. It represents the world's last great agriculture frontier. There are more than 600 million people under the age of 25 in Africa. By 2045, that number will double<sup>2</sup>. In just 30 years, there will be more people of working age in Africa than in either China or India, making the human dimension of Africa's agriculture sector compelling. Agriculture and food systems represent approximately 2/3 of *all* employment<sup>3</sup> (both formal and informal) on the continent, and young people make up more than 65% of Africa's agricultural workforce<sup>4</sup>.

Africa has a significant and well-documented opportunity to become a net food exporter, not only because it has a substantial, fast-growing and young workforce, but also because today it is home to more than 60% of the world's total share of uncultivated, arable land<sup>5</sup> that will be critical for the global food supply. The key to solving Africa's agriculture constraints is the challenge, to bring together human and natural resources and suffuse them with agribusiness know-how.

#### **The Opportunity**

ImagineNations believes that there is an opportunity to target geographies and develops platforms to bring about rapid increases in crop yields on smallholder farms. Good science added to good management achieves a dramatic multiplier effect, for the smallholder, SME and large operator. In this environment there is potential to achieve multiplier effects in major food crop yields. From those yields arise the business case for investment in the sector.

Operating effectively in this environment requires a public-private alliance of actors. Investors that evidence a commitment to building profitable and sustainable business – and also to creating social value and improving society – will be more successful in the long run. Such alliances are centered on longer-term investments, focused on increasing yields and improving the organization and management of smallholder farms and committed to equipping the next generation with necessary education, practical skills, nutrition, and ladders of

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<sup>1</sup> United Nations, 13 June 2013.

<sup>2</sup> The MasterCard Foundation, January 2014

<sup>3</sup> Worldbank.org, December 2013

<sup>4</sup> FARPAN, December 2013

<sup>5</sup> CNN, November 6, 2012

opportunity.

If structured well, profitable agribusiness investments and a dynamic young workforce in Africa could become a significant engine of domestic and global consumption and production. Just as the Green Revolution set out the conditions for rapid development in Asia, so too might profitable agribusiness investments serve as catalysts for accelerating development in Africa.

### **Sustainability via Profitable Progress**

ImagineNations' aim is to attract "like-minded" partners to invest in sustainable, profitable agricultural and value added operations that achieve both commercial and social results. Together, ImagineNations and its partners will:

- Engage with government leadership to secure land concessions and titles for smallholders, SME's and investors;
- Acquire stakes in profitable catalyst farm sites;
- Fund land clearing and start-up operations in greenfield sites;
- Deploy upgraded seed technologies in both existing and greenfield locations;
- Resource the best science, technology and machinery available to assure proper clearing, planting, and process management;
- Source/provide bulk pricing options when surrounding smallholders and SME's are buying and selling;
- Provide education and onsite training to drive increases in yields, through Food University;
- Empower small, SME and corporate farmers with on-farm extension services; and
- Work with local leadership in collaboration to re-invest significant profits back into the community.

### **Objectives**

ImagineNations seeks to achieve both commercial and social results by addressing the many dimensions of the field to table food value system, including:

- Profitable return on investment of 20% for its partners;
- Clearer exit strategies for investors and partners; and
- Improved opportunities and incentives for workers, families and communities through improved skills, higher and more stable family incomes, access to financial and insurance products and services, and improved health and nutrition.

These outcomes and results are possible through a combination of:

- Access to large tracts of fertile and accessible land at no cost (through government concessions);
- Support of and investment from the government;
- Partnerships with strong operators with experience and presence on the ground;
- Improved technologies, seed & inputs result in significant yield and productivity improvements;
- Support and engagement of a network of leading African stakeholders;
- Developing a skilled workforce (through Food University).

The combination of these factors results in lower up-front costs, reduced political risk, and reduced fixed and variable costs of operations.

### **For More Information**

ImagineNations invites like-minded organizations and individuals to consider partnering to address the challenge of food security in Africa. Please contact us at Tel: +1 410 439 4800 or [info@imagineations.org](mailto:info@imagineations.org), and we look forward to talking about how we might together make a difference on this critical issue.