المنتدى العربي للبيئة والتنمية
ARAB FORUM FOR ENVIRONMENT AND DEVELOPMENT
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ARAB ENVIRONMENT 2014

ARAB ENVIRONMENT·7
FOOD SECURITY
CHALLENGES AND PROSPECTS

Food Value Chains and Food Security

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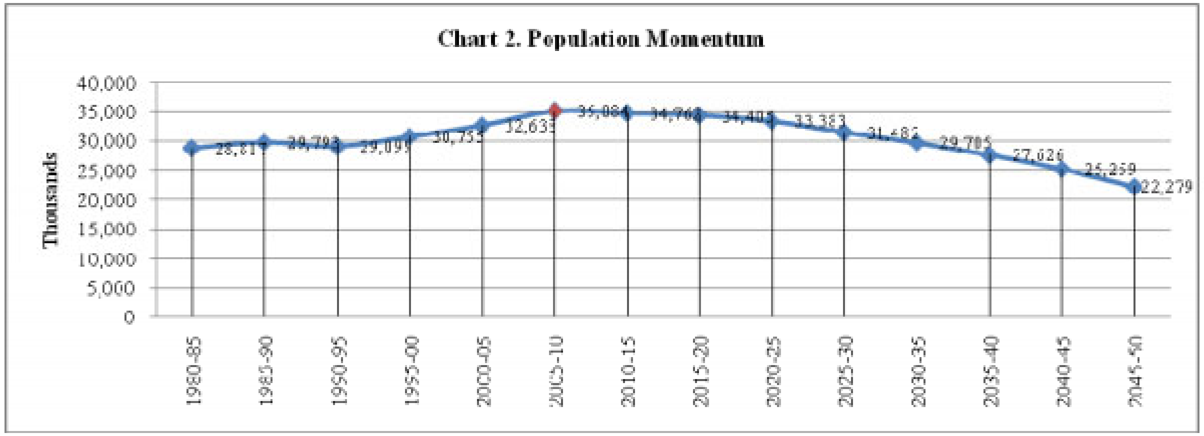
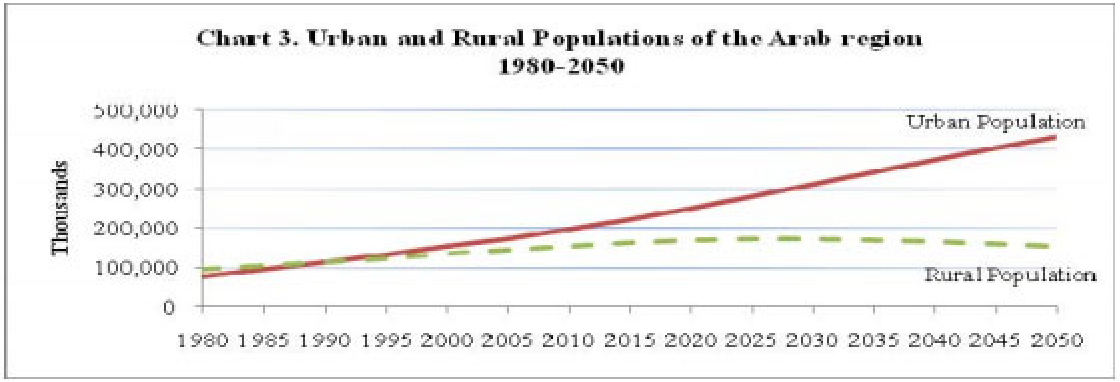
Outline

1. Challenges
2. Food Value Chains in the Arab region
3. Pressure Points of the Value chain
4. Focus on the Region-wide priorities

Challenges

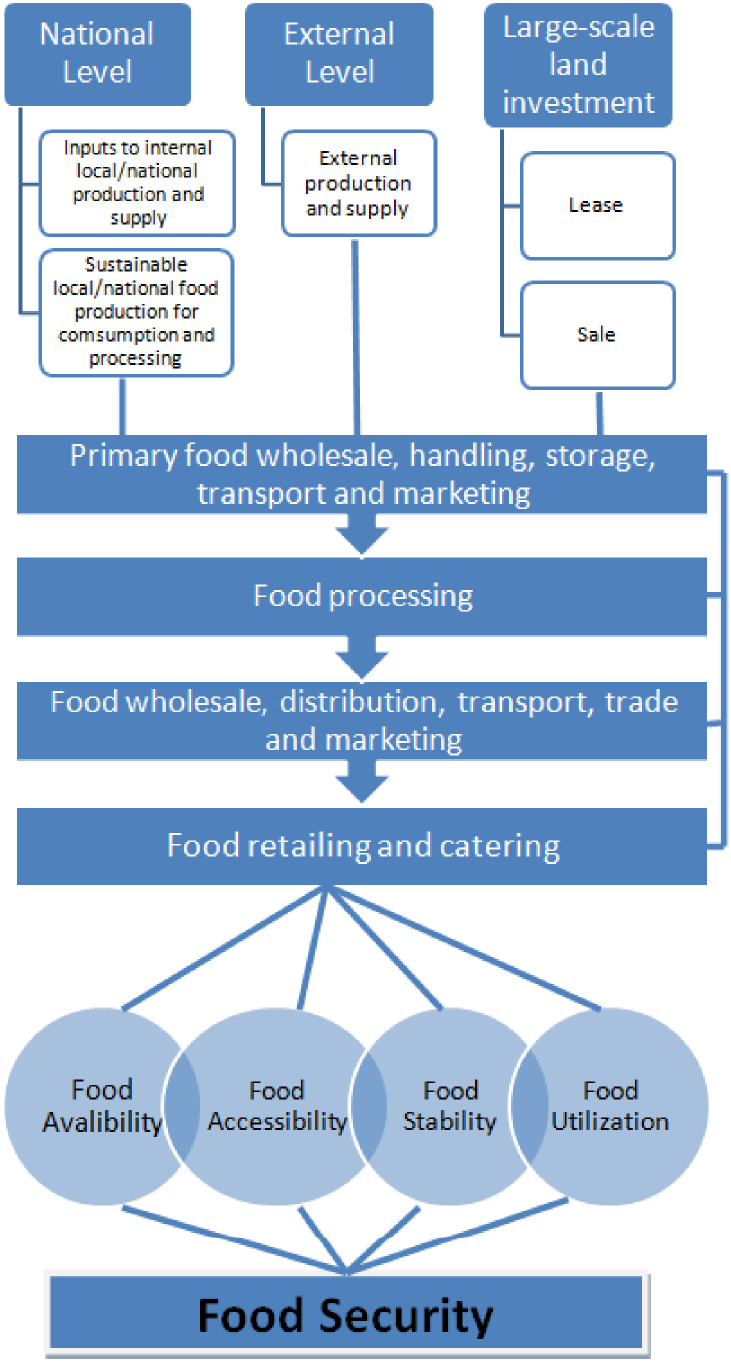


Source: Economic and Social Commission for Western Asia, Population and Social Development Section, based on the Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2008 Revision, online data http://esa.un.org/unpp.



Source: Economic and Social Commission for Western Asia, Population and Social Development Section, based on the United Nations 2008, World Urbanization Prospects: The 2007 Revision Population Database. http://esa.un.org/unup/index.asp.

Food value chain in the Arab region: a conceptual framework



Key profitability metrics for the agribusiness value chain/Global figure

Table 1: Key profitability metrics for the agribusiness value chain

Sector	Input	Farmers	Traders	Food companies	Retailers
Sales: US$bn (*approx.*)	400	3,000	1,000	3,500	5,400
Number of players	100s	450 million	Tens	Thousands	Millions
EBIT %	15%	Variable	2–5%	10–20%	5%
R&D % sales	<1% (fertilizers) – 10% (seeds)	0%	<1%	1–2%	<1%
R&D spend: US$bn	10	–	Low	8	Low
Composition/ Sub-sectors	• Seed • Fertilizer • Crop protection • Machinery • Animal health and nutrition • Crop insurance • Food ingredients	• Grains • Fruit and vegetables • Meat • Dairy	• Handling • Primary processing • Secondary processing	• Bakery • Meat • Dairy • Snacks • Ready meals • Beverages	• Multiples • Discounters • Wholesalers • Independents
Range	R&D-based majors to generic manufacturers	Smallholders to agroholdings	Global agribusinesses to local middlemen	SMEs to multinationals	Corner shops to hypermarkets

Source: KPMG International, 2013

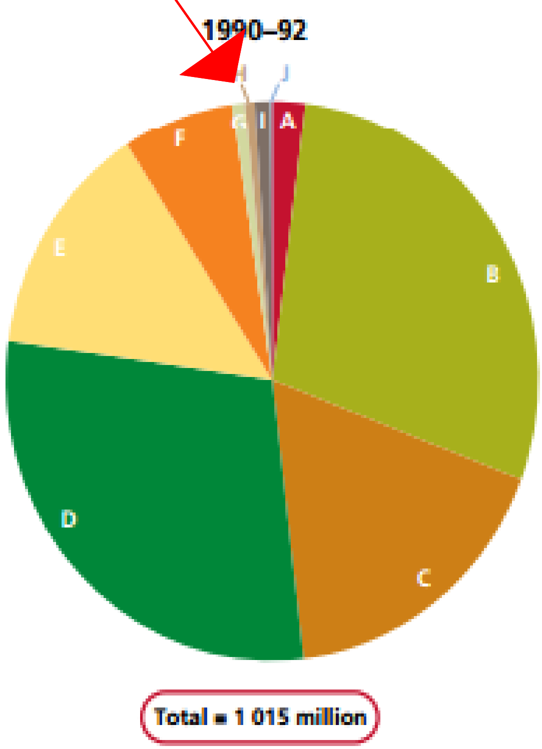
Pressure Points of the Value Chain

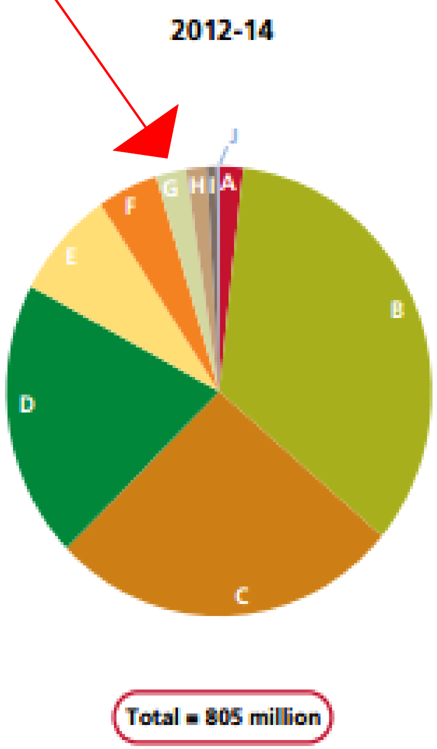
Actors of the Value Chain	Issues/Risks
Input suppliers	1. Monopoly in the fertilizers and pesticides market 2. Provides credit that ties producers
Producers	1. High Costs of inputs 2. Small-scale farmers 3. Post-harvesting losses 4. Local markets challenges
Processors	1. Multitude Contracts with farmers 2. Risks in contractual agreements 3. High food losses
Trade	1. Lack of infrastructure (storage rooms and refrigerators) 2. Most of the produce is sold on the wholesale market.

Conflicts and crises

Western Asia lacks to achieve hunger target of MDG

The changing distribution of hunger in the world: numbers and shares of undernourished people by region, 1990–92 and 2012–14





	Number (millions)		Regional share (%)	
	1990–92	2012–14	1990–92	2012–14
A Developed regions	20	15	2.0	1.8
B Southern Asia	292	276	28.8	34.3
C Sub-Saharan Africa	176	214	17.3	26.6
D Eastern Asia	295	161	29.1	20.0
E South-Eastern Asia	138	64	13.6	7.9
F Latin America and the Caribbean	69	37	6.8	4.6
G Western Asia	8	19	0.8	2.3
H Northern Africa	6	13	0.6	1.6
I Caucasus and Central Asia	10	6	0.9	0.7
J Oceania	1	1	0.1	0.2
Total	1015	805	100	100

Note: The areas of the pie charts are proportional to the total number of undernourished in each period. Data for 2012–14 refer to provisional estimates. All figures are rounded.
Source: FAO.

Source: The State of Food Insecurity in the world

What is Subsidiarity?

Subsidiarity is the principle that allocates decision-making responsibilities to the individuals or entities that are primarily affected by these decisions.

Priorities for Food Security Common Action at the Regional Level

- Addressing conflicts/Refugees
- Trade
- Transportation and infrastructure
- Water and energy
- Research and Development
- Sustainable Direct Foreign Investment

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THANK YOU