



International Forum

*Unleashing Science, Technology and Innovation for Food and Nutrition Security
With special focus on Africa, Caribbean and the Pacific*

Developing a road map

15-17 October 2014

NH Rijnhotel Arnhem, The Netherlands

Forum International

*«Libérer la Science, la Technologie et l'innovation pour promouvoir la sécurité alimentaire et
nutritionnelle*

Avec, comme axe prioritaire, l'Afrique, Les Caraïbes et le Pacifique »

Élaborer une feuille de route

15-17 Octobre 2014

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Agricultural Commodity Markets and Commodity Exchanges

Recent Research Findings

16 October 2014, Gerdien Meijerink



Food Security at LEI Wageningen UR

- Food security one of the four main research themes



- Broad focus: from producer, to market actors to consumer
- Specific focus: incentives to produce, market and consume nutritious and sufficient food
- **Technology alone often not enough!**

Food security: 4 dimensions

- Food availability: focus on production
- Food access: focus on income
- Food utilisation: focus on consumption
- Food stability: focus on uncertainty, risk

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- Production of sufficient food alone often not enough!

Food Security at LEI Wageningen UR

- LEI works with
- Policymakers
 - FoodSecure flagship project
 - www.foodsecure.eu
- Private sector
 - FARMAF www.farmaf.org



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FOODSECURE aims to design effective and sustainable **strategies for assessing and addressing** the challenges of food and nutrition security.

FOODSECURE provides a set of analytical instruments to **experiment, analyse, and coordinate** the effects of **short and long term policies** related to achieving food security.

FOODSECURE impact lies in the knowledge base to support EU policy makers and other stakeholders in the design of **consistent, coherent, long-term policy strategies** for improving food and nutrition security.

FOODSECURE research areas



WP1

Causes of hunger and poor diets



WP5

Stakeholder orientation on the future of hunger



WP9

Sustainable agriculture



WP2

Database on hunger: outcomes and drivers



WP6

Short term modelling



WP10

EU and national food security strategies and aid policies



WP3



WP7



WP11

Research components

Determinants module: understanding the causes of hunger and malnutrition

Future module: tools for improved surveillance and foresight

Guidance module: policy framework to support food and nutrition security

Stakeholder engagement

Pooling data and modelling resources



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LA GESTION DU RISQUE AGRICOLE EN AFRIQUE

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Risk Management Systems

The Farm Risk Management for Africa (FARMAP) project aims to improve food security and livelihoods of the rural poor in Africa by enhancing smallholder farmers' access to sustainable tools and instruments to manage farm risks. FARMAP is implemented by AGRINATURA, in partnership with regional and national farmers' organisations in Africa. The project, which was launched in 2012 and has a duration of four years, is funded by the EU with counterpart funding from AGRINATURA.

University of Greenwich agrinatura cirad

FARMAP aims to improve food security and livelihoods of the rural poor in Africa by enhancing smallholder farmers' access to sustainable tools and instruments to manage farm risks

20 NOV 2013
FARMAP expert contributes to AGRA Africa Agriculture Status Report

11 JUN 2013
FARMAP International Launch Workshop in Ouagadougou, Burkina Faso

11 OCT 2012

Partner log-in

Dgroups

MWATA Zambia National Farmers Union ROPPA PAFU SACAU

Research approach

- Monitoring and evaluation
- Research provides “good practices”
- Monitoring of implementation (by private sector, farmers’ organisations)
- Evaluation
- Feeding back lessons learned

Innovative tools: reducing economic risk management for farmers

- Insurance
- Market information systems
- Warehouse receipt systems
- Commodity Exchanges
- Collective action

Private sector involvement is crucial

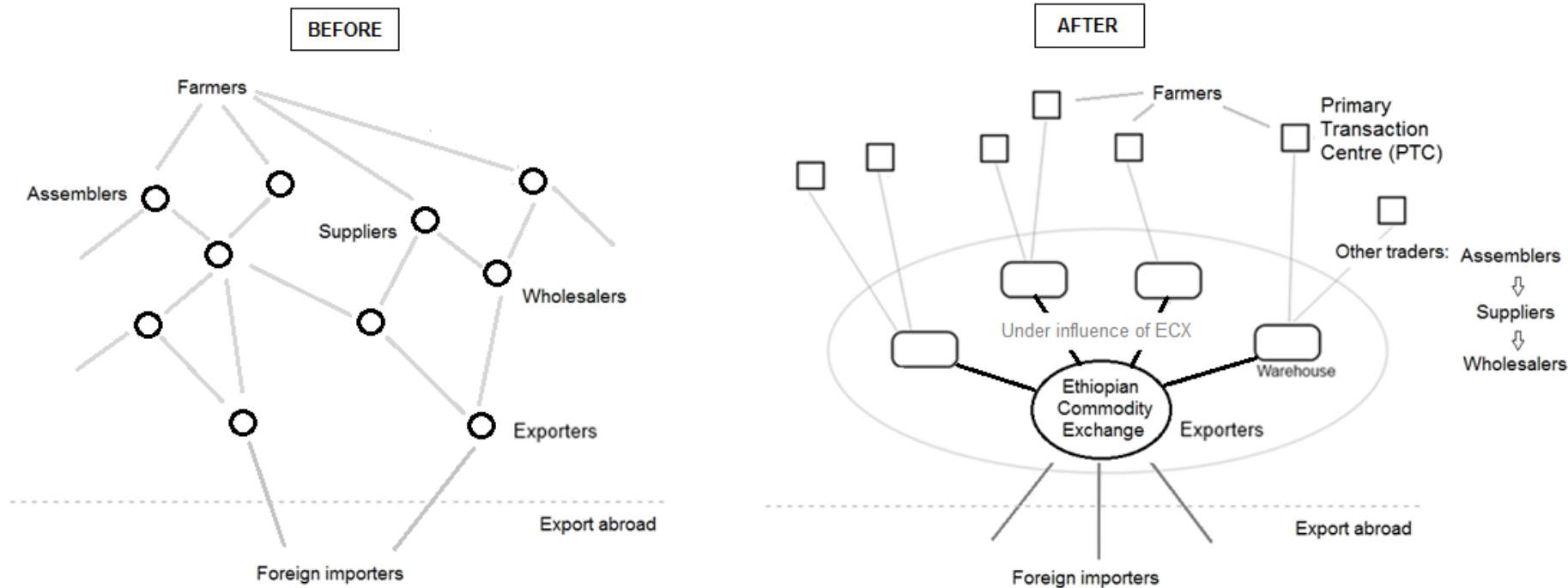
Case study: Ethiopian Commodity Exchange (ECX)

- Eleni Gabre Madhin: from researcher to CEO of ECX



- The importance of markets in food security
- Markets in Africa are generally inefficient, with high transaction costs and risks
- Producers get low price, traders face uncertainty and risks (explains high margins), consumers pay more

Nuts and bolts of ECX



■ ECX improves

- Information (prices, standards, quality)
- Enforcement (no renegeing on contracts)

Effect of the ECX

(based on farmers and traders surveys 2009-2012)

- More transparency against the interests of traders
- After start of ECX, traders avoided using the trading platform
- This also explains languishing commodity exchanges elsewhere in Africa
- Ethiopian government made ECX mandatory for all coffee and sesame trade
- Positive effect on farmers: more transparency also led to more trust in traders
- Negative effect on traders: loss of social capital

Other innovative solutions

- ECX expensive innovation
- Other, small-scale solutions available

MWIVATA markets

- Local markets with a regional function:
 - Infrastructure
 - Marketing board that enforces
 - Information (prices, standards, quality)
 - Enforcement (contracts)



Effect of MWIVATA markets

- Again: more transparency against interests of traders, but because markets attract many farmers, lower transaction costs, they use the markets
- Farmers grow more crops for markets (increased income)
- Markets have grown in volume
- Increased economic activity (restaurants, hotels, shops)



Conclusions

Involve private sector during research

Innovations needed in markets to improve food security

