

Speech by Commissioner Phil Hogan at High Level Seminar on *Agribusiness Investments in Partnership with Farmers' Organisations*

15th October 2015, Expo Milan

– Check Against Delivery –

- Chairman Hailu, Commissioners Mimica and Tumusiime, Excellences, distinguished guests, ladies and gentlemen,
- First of all, I'd like to thank everyone who participated in yesterday's workshop. And a particular thanks to our operational partners, the CTA, the COLEACP and the EIB who managed yesterday's workshops.

Professor Swinnen, your report profiled successful examples of agribusiness growth – these are real success stories that can inspire and inform others.

- I believe that farmers today, in EU and ACP countries alike, have numerous good news stories to tell. But just as importantly, I believe they have the potential to create many more!
- Our job as policymakers is to provide farmers and agribusinesses with the right tools and support to help them create these stories, fulfilling their potential to provide jobs, drive growth, and support their families and communities.
- But there are other considerations, too. Agriculture has to:
 - drive the rural economy's economic transformation;
 - raise farm incomes;
 - boost productivity to feed a global population growing towards 9 billion people;
 - and do all these things in a way that conserves resources for future production needs.

- **And today I want to deliver the message loud and clear that intelligent private investment will be absolutely vital in this process.**
- We know that the agriculture sector is critical for economic development, prosperity and food security in developing countries.
- If we look at Africa, we can see that this is a young continent. Over 300 million young people will reach employment age in the next 15 years, and two-thirds are coming from rural areas.
- So rural development and providing jobs and prospects for Africa's youth must be a top priority. A thriving rural economy, based on agriculture, will give the coming generation the option to live and work in their home communities.

- The EU stands ready to assist and support this process. Under the guidance of my colleague Commissioner Neven Mimica, agriculture and rural development has become the chief focus of EU development assistance.
- We need to find ways to develop value chains, and boost access for smallholder farmers to local, national and regional markets.
- But public funding is only one part of the equation. Farming remains largely a private sector activity, and therefore the private sector, through responsible agribusiness investments and trade, has a major role to play.
- And the foundations have already been laid, in particular with last year's **Malabo Declaration which Commissioner Tumusiime was closely associated with.** . The declaration has committed African countries **to transform African agriculture,** through:
 - tripling inter-African trade in agricultural product by 2030;

- increasing private investment in the agricultural value chain;
- and boosting exports and value addition of key commodities.
- I am working with Commissioner Tumusiime in the framework of the Joint EU-Africa Strategy and its Agricultural Contact Group to deliver on those commitments.
- In addition, as Viwanou Gnassounou of the ACP Group of States has said, the **ACP is developing new strategies on private sector and commodity strategies**. We look forward to supporting these initiatives.
- Agribusiness investment needs to be responsible, and also responsive to local conditions. An effective way to assure this is by forming partnerships between investors and farmer organisations. One of the key ideas from the workshops was

that we need to focus on stronger farmers' organisations, who have an entrepreneurial approach.

- But the biggest question remains how to access finance, especially for higher-risk small farmers.
- The EU is helping to meet this challenge through the European Investment Bank. The EIB has been widening and deepening its presence in the area of agricultural finance, and I commend the Bank for understanding that this is essential in order to drive growth in the African economy's most important sector.
- The EIB has a wealth of experience in Africa, working across a wide range of economic sectors.
- I wish to assure you that the Commission will not only continue to refine our policies, but we will also highlight the opportunities for EU agribusiness to invest in partnership with ACP farmers.

- An essential key to growth is access to higher-value international markets. EU trade policy and our partnership agreements (EPAs) give guaranteed access to EU markets, providing stability for investments.
- Yesterday the Commission adopted a new trade and responsible investment policy which highlights that trade must boost development.
- We must work together to further strengthen cooperation between like-minded institutions and organisations that believe in the necessity of rural economic transformation, driven by agri-business investment, value addition and trade. We need a multi-stakeholder approach; we need to find the right mix of partners to get our policies moving.
- The Commission needs to work with key partners, notably Farmers' Organisations and agribusiness investors, and include

them in policy exchanges, in order to maximize the opportunities for trade and growth under the Economic Partnership Agreements. To reach export standards, farmers need technical and SPS assistance, training and extension services. We have here today experienced bodies like CTA and COLEACP that have considerable expertise built up over the years.

- These regional agreements foster the integration of regional markets – which I know is a top priority across Africa. When it comes to imports into ACP countries, the EPAs, allow our partners to shield sensitive sectors from market opening and give the policy space for domestic growth.
- We must continue to profile inclusive and sustainable agriculture by highlighting success stories where farmer organisations and agribusinesses come together to add value. I have been impressed by the reports of the case studies presented at the workshops yesterday.

- And we must maintain the momentum to place research and innovation, and vocational training, at the heart of sustainable agricultural productivity. The focus must be on sustainable food security and nutrition; resource-use efficiency; and climate-smart agriculture.
- The bottom line is that we have to strengthen the link between research, farmers and the downstream industry.
- **At the end of the day, ladies and gentlemen, this is all about food security.** The global community has largely met the Millennium Development Goal to halve hunger worldwide. That is a great achievement, but it still leaves almost 800 million people in hunger.
- The next step is to achieve zero hunger– which is a key focus of the Malabo Declaration, as well as the UN Sustainable Development Goals agreed in September.

- It is equally necessary, and equally urgent, to raise the incomes and economic resilience of the food-insecure population. These are overwhelmingly people who rely on agriculture, and agricultural markets, for their livelihoods.
- This will require smart investment as well as smart planning. The EU, ACP and African Union must work together to attract private sector investment for agricultural growth.
- Ladies and gentlemen, structures for co-operation and investment have existed between the EU and Africa for many decades.
- Now is the right time to find new and better ways to work together, as well as deepening the existing channels of cooperation.
- I believe yesterday's and today's discussions represent an important step on this journey, and I look forward to working with many of you in the coming months to take the next steps.
- **Thank you.**