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News Insight Agriculture

Middle East and Africa

May 2016

The "News Insight Agriculture" newsletter aims at collecting news and developing insights on the agricultural sector in the Middle East and Africa.

[Infomineo](#) gathers information and data covering agricultural firms' strategic plans, state regulations, publications and events across countries of the region.

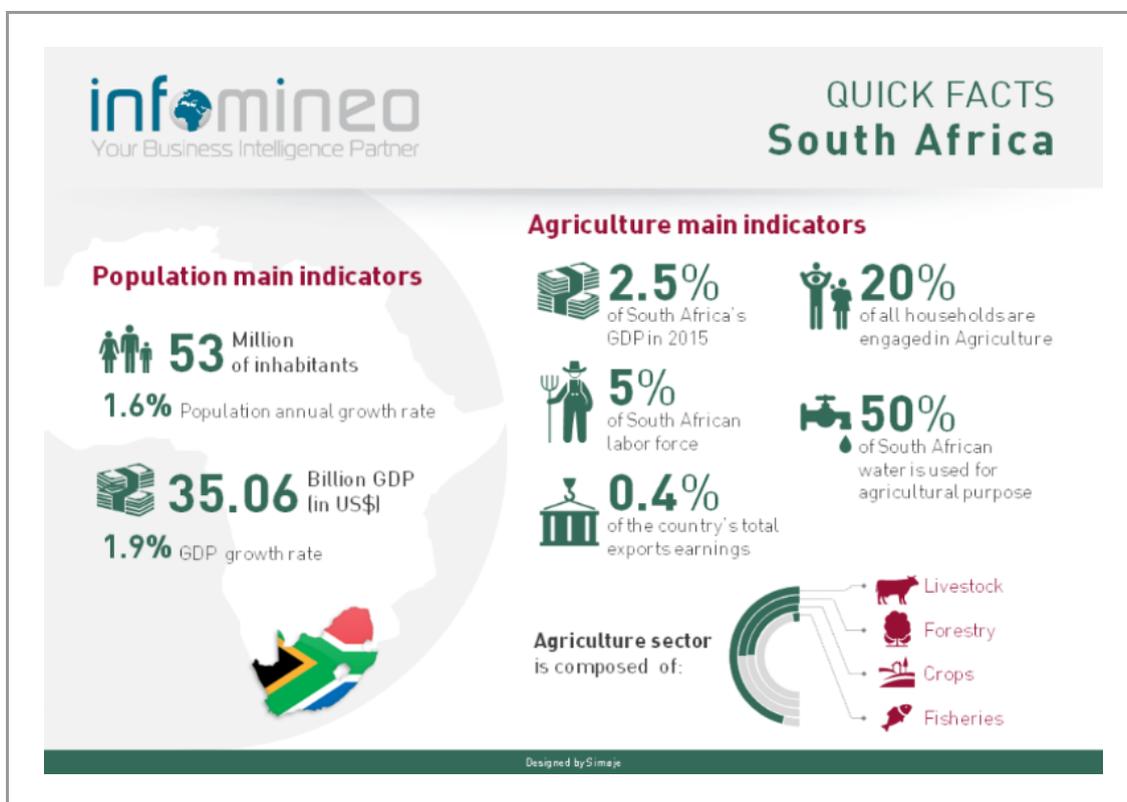
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Agenda

- [Zoom on South Africa](#)
 - [News insights](#)
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Zoom on South Africa



Introduction

South Africa is in the southernmost part of the African continent, bordering six (6) countries: Botswana, Namibia, and Zimbabwe to the north, Mozambique and Swaziland to the east and surrounding the kingdom of Lesotho. The country's climatic condition is mainly semiarid; subtropical along east coast and characterized by sunny days and cold nights.[1] The World Bank classified South Africa as upper-middle-income economy until 2015.

Role of Agriculture in South African economy

South African population annual growth currently stands at 1.6%.[2] Meaning, the country will be home to over 80 million people by 2035. Therefore, food production must more than double—against fewer natural resources—if the country is to feed her rising population. Agriculture's contribution to total Gross Domestic Product (GDP) has been declining since 1960 when the sector contributed 10% to 2.5% in 2015.[3]

[>>Read the full report<<](#)

Sources

[1] "South Africa". S.A Info, 2016: Weather and climate. Retrieved Apr. 15, 2016 via <http://bit.ly/1NsfxPw>.

[2] "South Africa". World Bank, 2015. Retrieved Apr. 21, 2016 via <http://bit.ly/1UCeZyp>.

[3] "South Africa". World Bank, 2015. Retrieved Apr. 21, 2016 via <http://bit.ly/1Xzmynr>.

News Insights

US\$ 100 million EBRD equity investment in Egypt's agribusiness sector

The European Bank for Reconstruction and Development (EBRD) boosts the agribusiness sector in Egypt with a US\$ 100 million equity investment in United Sugar Company of Egypt (USCE).

The Bank will convert an existing US\$ 50 million loan to USCE into equity and provide the company with an additional US\$ 50 million in share capital.

USCE is one of the country's sugar refinery companies, and a subsidiary of Savola Group, one of the largest food groups in the Middle East and North Africa region.

[Read more - EBRD](#)

South African farmers strategize on investing in Zambia and the rest of Africa

A group of leading South African farmers are mobilizing to transfer substantial portions of their wealth to investing in the agricultural sector in the rest of Africa.

Zambia is the top priority destination country. The group's focus is in areas of fresh produce, including sugar cane, wheat, maize, soya beans; livestock products ranging from cattle to sheep to goats and chickens.

[Read more - Zambia Pretoria](#)

UBA Chief lauds agriculture as commercially viable

Tony Elumelu, Chairman of Heirs Holdings, the UBA and Founder of The Tony Elumelu Foundation calls on African governments and investors to treat the agricultural sector as a commercially viable sector with a potential to create millions of jobs and revenue.

While delivering the keynote address to agribusiness stakeholders at The Global Food Security Symposium in Washington, DC, Tony Elumelu reiterated that agriculture should not be seen as a social welfare program, rather entrepreneurship as governments create the enabling environment for MSMEs to access finance.

[Read more - Nerve Africa](#)

USAID injects US\$159million towards revamping Uganda's farmer cooperatives

The United States Agency for International Development (USAID) injects US\$159m to revamp over 40,000 cooperative unions across the country and make them viable businesses. The project is working with UN agencies such as the Food and Agriculture Organization and World Food Program to ensure country's food security through reduced hunger and poverty. The project will also work closely with the government's established Warehouse Receipting Authority (5WRS) to strengthen the system

Impacts of Saudi's agricultural investments in Sudan to Egypt

Recently, Riyadh has been encouraging Saudi Arabia investors to pump more money into Sudan in conjunction with Sudan's participation in the Saudi-led intervention against the Houthis in Yemen.

This has seen a steady boost in the country's investment in Sudan's agricultural sector raising concerns in Cairo over Sudan's increased use of Nile River water.

The investments which include building dams on the Nile in Sudan, the pundits say, might come at the expense of Egypt's share.

[Read more - Al Monitor](#)

SIF to invest US\$3.1m to boost agribusiness in Ghana

The Arab Bank for International Development (BADEA) and OPEC Fund for International Development through the Social Investment Fund (SIF) would provide US\$3.1 million in loans to boost agribusiness across 22 selected districts in Ghana.

The funding is a four-year program under its Integrated Rural Development Program (IRDP). The funds would be disbursed to about 4,000 farmers, 40% of them women.

[Read More - GBN](#)

Ivory Coast could be an emerging country by 2020

Ivory Coast has been implementing structural and sectoral reforms that could see it become one of the emerging countries by 2020.

The recent structural development and reforms have resulted in an average annual economic growth of more than 9% over the past four years, placing it among the top five of the most dynamic economies in the world.

The reforms have also resulted in the stabilization of the macroeconomic framework, with a budget deficit of 2.2% of GDP in 2013 and 2014, a sustainable debt (less than 37%) and a rate of inflation contained at 0.4% in 2014, and expected to reach about 1.7% in 2015.

[Read More - World Economic Forum](#)

The EAC regional tea sales grow by 6.4 per cent

Despite experiencing a prolonged dry spell early in the year of 2015, East Africa Community (EAC) registered a 6.4 per cent increase in tea sales at the Mombasa auction.

The report released in December 2015 shows the region exported 8.9 million kilograms, up from 8.3 million sold around the same time 2014, with Kenya recording most sales.

Out of the total tea exported, Kenya sold 7.2 million kilograms up from 6.3 million sold last 2014, representing a 12.5 per cent increase in sales. Uganda, which majorly exports her tea through Mombasa, ranked second with a 10.6 per cent increase in sales.

[Read More - Daily Monitor](#)

PASS: Financing agriculture not risky undertaking

The Private Agricultural Sector Support (PASS) which has recovered over 95 per cent of its guaranteed loans to the agricultural sector affirms that lending to agriculture is no longer a risky undertaking.

PASS Managing Director, Nicomed Bohay, dismissed as unfounded the lame excuses of denying funding to agriculture on the pretext that the sector is highly risky. While speaking in Dar es Salaam Tanzania, he said the trust that operates as service provider between agriculture and financial sectors has so far guaranteed Tshs 314bn/- loans to agriculture, with 95 per cent of the amount recovered.

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