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THE CRAWFORD FUND
For a Food Secure World

THE BUSINESS OF FOOD SECURITY:

Profitability, sustainability and risk

The Crawford Fund
2015 Annual Parliamentary Conference
Parliament House, Canberra

10-12 August 2015

Editor: Janet Lawrence



Grow Asia: a multi-stakeholder approach to food security

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Abstract



By 2050, a global population of 9 billion will demand 70% more food than is consumed today. Feeding this expanded population nutritiously and sustainably will require substantial improvements to the global food system—one that provides livelihoods for farmers as well as nutritious products for consumers. To achieve on-the-ground improvements, the World Economic Forum launched the Grow Africa and the Grow Asia partnerships.

Grow Asia, launched in April 2015, is a partnership among leading companies, national governments and civil society to enable sustainable and inclusive agricultural development in South East Asia. The partnership facilitates multi-stakeholder collaboration to develop the productivity and profitability of smallholder farmers and to improve the environmental sustainability of agriculture.

Thank you to the Crawford Fund for having me here. You already have heard quite a bit about the population growth in the world, having to feed an additional three billion more people. You've heard about the pressures that changing appetites and food preferences put on increasing the amount of feed that's produced.

What you may or may not have heard, but I'll repeat it now just because I'll refer to it later, is that 2.2 billion people in Asia secure their livelihoods or secure incomes from agriculture. You've already heard quite a bit about biofuels and the pressure that biofuels or the increasing use of alternative energy can create in terms of shifting agricultural land from food to produce biofuels. And we've talked a lot about water scarcity and obviously climate change, and what climate change will do both in terms of pests and the ability to be productive.

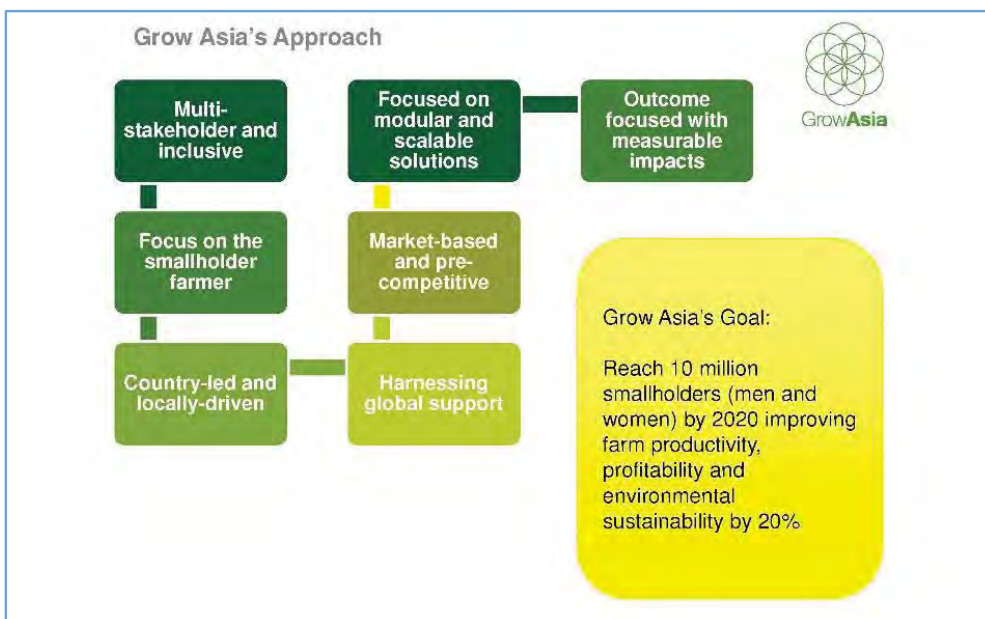
So what does this confluence of different challenges mean? Well we believe at *Grow Asia* that it means we need to change the way we're doing business; we need to change the way that we look at food security, and in order to do that we believe in a multi-stakeholder approach (Fig. 1). *Grow Asia* was catalysed by the World Economic Forum as well as the ASEAN Secretariat with incredible leadership and funding from DFAT as well as the government of Canada.

Figure 1. A confluence of challenges demands a confluence of stakeholders.



You've actually seen this slide from a variety of different presenters today, which is really interesting (Fig. 2). It's the idea that in order to have a multi-stakeholder partnership be successful, to achieve scale, you need to have these different stakeholders. You need the private sector,

Figure 2. Grow Asia's approach to meeting the needs of smallholders.

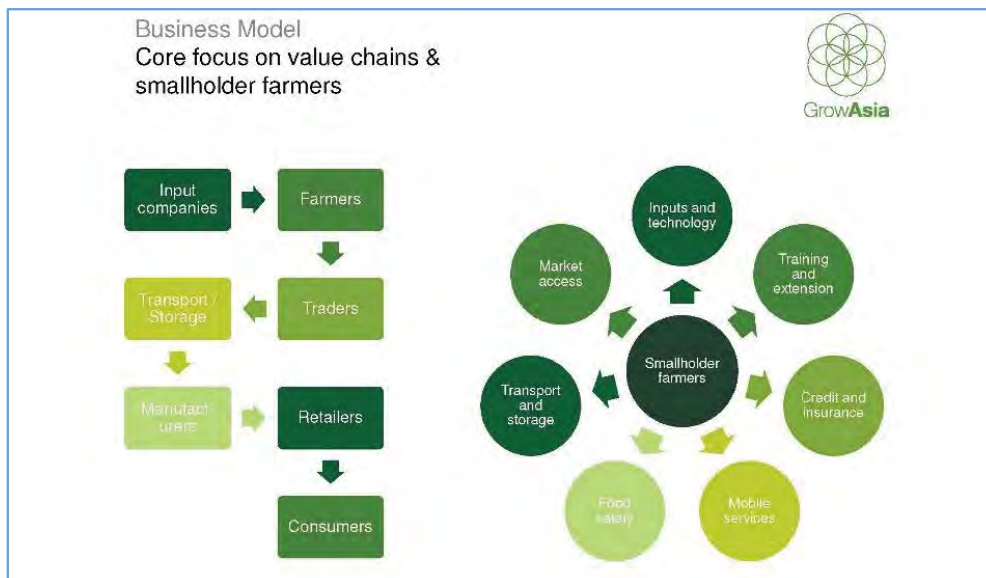


you need the government, you need civil society. You also need farmers. One of the things we talk about at *Grow Asia* is that in order to truly engage farmers in the process and to have smallholder farmers as active participants in solutions that are sustainable and scalable, you actually need to engage them in that conversation as well. We have also talked about donors as well as researchers and academia. So the focus of my time will be: What is *Grow Asia*'s approach and why is this something that we think is particularly valuable at this point in time?

Engaging smallholder farmers

As I mentioned we're a multi-stakeholder initiative. We are inclusive, we currently have over 100 companies that are participating in *Grow Asia* as well as a variety of civil society leaders and ASEAN governments. What really glues all of these stakeholders together is their focus and commitment to improving the lot of smallholder farmers (Fig. 3). It is an unusual initiative in that *Grow Asia* as a secretariat is not controlling and pushing down the agenda, but rather the agenda is being driven at the country level.

Figure 3. The business model has a core focus on value chains and smallholder farmers.



You heard from Dr Lee earlier about PISAgro, which is one of the country partnerships within Grow Asia – the Indonesia country partnership. And it's amazing that you have local companies as well as multinational companies coming together at the country level, looking at value chains, saying 'here's our priorities, here's where our priorities overlay with the government of Indonesia's priorities and here's what we're willing to fund to try out new approaches to make change'.

And what's interesting is that because of our connection to the World Economic Forum we use their platform, with global CEOs coming together and committing publicly that they will achieve changes in the way that their businesses are conducted. And what this allows is that at the country level country CEOs, country directors, country managers have both the mandate as well as the bandwidth to say: 'OK let's go and test new approaches; how can we commit, how can we find the resources internally to fund new activities that focus on smallholder farmers'.

New ideas and approaches

In talking with the four country partnerships that we have, and I'll get into them in more detail, it is an interesting mix of testing new ideas and new approaches combined with rolling out proven technologies and proven approaches that have already been tried and tested in developed countries. What's interesting about Grow Asia and all of our country partnerships is a focus on outcome and a focus on measurable impacts. And Grow Asia's commitment, as I think you've heard Dr Lee already say, is really around helping 10 million smallholder farmers by 2020 improve farm productivity and profitability by 20 per cent while improving environmental sustainability by 20 per cent (that's really looking at reductions in water use as well as greenhouse gas emissions).

So our approach and how it differs is that we focus on a value chain. As I mentioned it's a multi-stakeholder approach and so we bring together different partners and different pieces of the value chain, enabling discussion about what kinds of activities they are willing to fund at the country level. Some of the needs that smallholder farmers have are represented either by civil society or by the farmers themselves. For example, some issues could be around technology. We heard quite a bit

about disruptive technology, but it could be as simple as training and extension services, having the right knowledge at the right time to make the right types of decisions. Clearly financing becomes a huge issue when you start to think at the smallholder farmer level, how do you upgrade in terms of the resources and inputs that you put into your farm, what do you think about transport and storage to reduce wastage.

Hallmarks of *Grow Asia*

So what distinguishes Grow Asia? First of all there is political will and engagement. At the Grow Asia Forum where we were launched in April 2015 we had the unanimous approval from ministers of agriculture from every ASEAN country. We had the most senior political leadership coming and supporting us, saying: ‘We are inviting the private sector to come and collaborate with the government, for us to identify ways in which we can work together to enhance food security, ways in which we can work together to help strengthen smallholder farmers’.

And we have incredible corporate leadership. Our Grow Asia Business Council includes many of the top multi-national corporations working in food. While we firmly believe multinationals have a leadership role to play in the quest for food security quite frankly you can’t do it alone – you shouldn’t have to do it alone – to do so puts you at a disadvantage. And so we at the country level as well as at the Grow Asia level really look to ask how we can engage local companies to be part of the solution, to try and test new ideas.

We also think it’s incredibly important and invaluable to have civil society participating with us. One of the interesting things about Grow Asia and multi-stakeholder initiatives is the different perspectives that you bring. Where the private sector has incredible channels of distribution and incredible R&D knowledge they don’t necessarily have the same experience working with civil society, taking into consideration environmental effects, or engaging community participation so that you have community buy in. So bringing together the different stakeholders that represent those diverse interests adds up to a sum that is greater than the value of the individual parts.

Farmer Advisory Council

One of the things that Grow Asia will be doing in the next couple of months is formalising the Farmer Advisory Council. We think this is incredibly important, it is a process that is owned at the local level, and if you don't have farmers' voices as part of the conversation you're doing it on behalf of them rather than in coordination with them. The other thing that Grow Asia is working on concerns creating stronger linkages to researchers. We realise that an incredible amount of information and technology already exists, but it's not being commercialised and it's not being brought either at the corporate level or necessarily at the smallholder farmer level. So we need to define how we can create those linkages so that we get more information out at the right times.

The value of partnerships

One of the really interesting things that I've heard today is that there are so many different companies engaging in a variety of different partnership models; we think this is incredibly important and incredibly valuable. One of the things that we're hoping to do at Grow Asia is to take some of those lessons learned and best practices and help to disseminate them. But we are also having a greater conversation at the ASEAN level, at the regional level, about what does food security mean and how to engage in partnership to achieve it.

In one of the earlier slides I talked about the engagement of the private sector. I also overheard earlier today somebody talking about the role of philanthropy and how this is an interesting approach. But really, this is philanthropy and one of the things that we think is important – I'll get to it at the very last slide. If you want to achieve food security you must talk about it at scale. Project by project is a start, but it's certainly not the end game.

One of the reasons we have such significant participation by the private sector is that they already see that there's a business case to be had for trying new approaches and for engaging smallholder farmers (Fig. 4). That applies whether that's new market development, gaining market insights, securing your supply chain, or simply establishing a dialogue that was difficult to have with a government in ASEAN before.

Figure 4. The business case for engagement.



From the government side one of the things that we hear is it's incredibly important to have partnerships because governments are already worried about corruption – or in some cases should be more worried about corruption – and if you have a partnership approach then it's easier for them to talk about catalytic changes in policy that the private sector needs in a way that is more transparent. That explains why they're talking to certain partners and not to other partners, it's about guarding reputation.

The important thing is that we have four partnerships already started, two of which are quite senior (Fig. 5. We have both Vietnam and Indonesia, and PISAgro's Dr Lee already described working across a variety of different commodities. The commodities are selected by establishing an overlay between what the ASEAN governments (or a particular host government) priorities are, as well as what the corporate interest is. So it's really driven by the private sector.

In terms of a partnership, one interesting activity took place in Vietnam with 75 demo plots of coffee in four provinces (Fig. 6). It resulted in farmers' yields increasing by 21 per cent with their net income increasing by 14 per cent. It reduced water usage by 30 per cent and

Figure 5. Supporting partnerships in four countries.

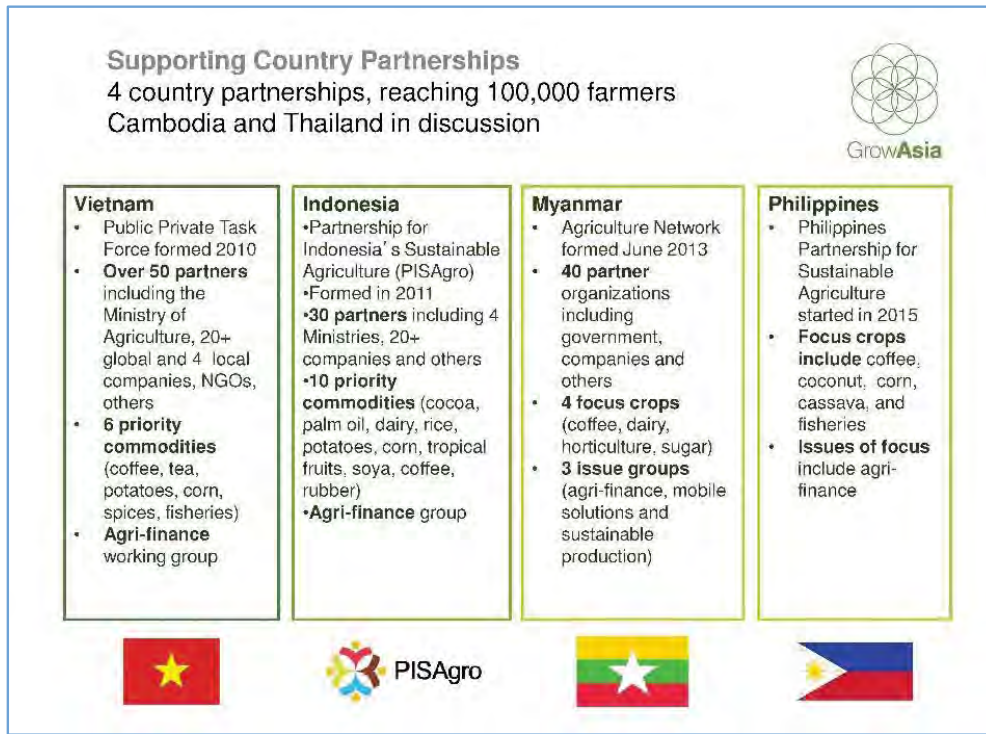


Figure 6. The partnership for coffee in Vietnam.



fertiliser by between 18 and 23 per cent (depending on where you were). And interestingly it decreased carbon emissions, which really

speaks to a variety of the different challenges that I laid out at the outset and that others have already very articulately described.

In the interest of time I won't talk about Indonesia, there is a summary on the slide (Fig. 7). Also Dr Lee has already mentioned a variety of different activities of that country partnership PISAgro which are incredible.

Figure 7. The partnership for corn in Indonesia.

Country Partnership Projects in Detail
Corn in Indonesia



Target: By 2020, train 5 million corn farmers on 1.25 million hectare land with productivity target of 8 tons/hectare

Results:

- Trained 34,100 farmers at 15 field schools covering 24,000 ha.
- One demo plot of GAP
- Increased
 - Productivity by 33%
 - Incomes by 44%
- Generated US\$83,000 private investment.
- Channeling US\$25,000 working capital credit to farmers

The group is also testing a new model on coconut-corn intercropping to enable income diversification.

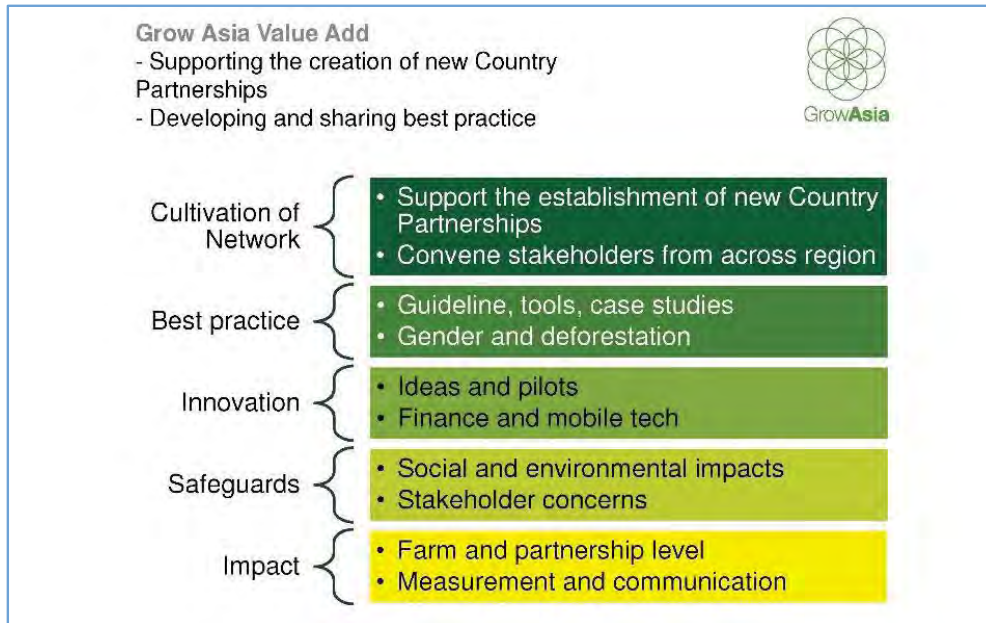
Partners:

- BRI, Cargill, Syngenta, Monsanto
- Indonesia Ministry of Agriculture, Directorate General of Food Crops
- Mercy Corps

Rationale for *Grow Asia*

As you start to think about Grow Asia's value-add, why I'm here and why the Government of Australia and the Government of Canada have given their support, you can see that the rationale in terms of creating Grow Asia is about creating new country partnerships (Fig. 8). So outside those four countries, how do we engage more countries in looking at food security through a multi-stakeholder partnership and thus cultivate that network? It's also about sharing best practices and providing the tools and resources so that each of the stakeholders can understand what their partners are doing – and again the sum is greater than the individual parts. It's built around innovation and helping to cultivate that innovation.

Figure 8. Value adding through creation of new country partnerships



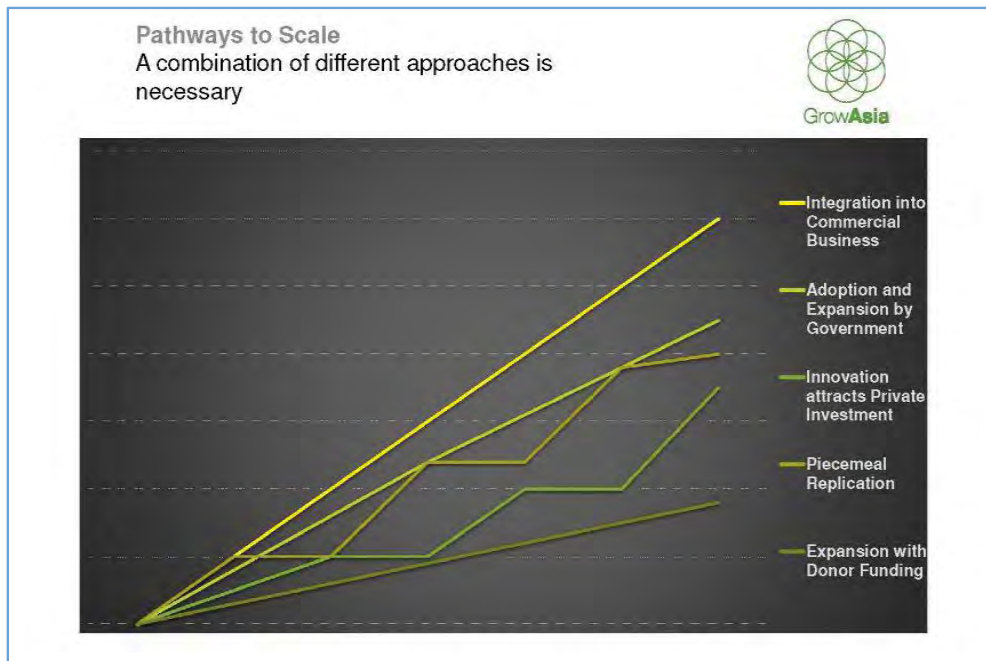
Equally it's about ensuring that there's environmental and social safeguards. This talks a little bit to the idea of securing reputation; those private sector partners participating in Grow Asia are obviously concerned about their reputations and hope that by participating in Grow Asia they receive a positive benefit to shore up those reputations. But most importantly it's about impact, and we need to measure that impact to gain an understanding of how there can be change. And this is really important because it gets to the question of how best to scale.

This slide depicts the five different pathways to scale (Fig. 9) – none of them alone will suffice. It's the collection of all five pathways that we're looking at because without those five pathways we simply aren't going to get there. And so the first, which perhaps is the steepest, is the idea that you're integrating different activities that are done at the country-partnership level into the commercial business, so that the business can say: 'I ran this activity, it was a pilot and from it I realised that there's a commercial reason for me to change the way I'm currently doing business – it's more profitable for me, I have more reliable supply chains, it is in my corporate best interests'.

Second is the idea of government adopting the partnership's activities, and considering how you start to think about the government owning

different pieces of it and participating: whether it's a facilitating enabling environment, whether it's passing different policies, whether it's investing in infrastructure in the right places.

Figure 9. Five different pathways to scale.



A less steep approach but still an interesting one is around thinking about innovation. How do you take that innovation and attract greater investment into it, how do you see more funding from either venture capital, private equity, lenders, impact investors, come in to grow the resources that are available around agriculture? There's also the piecemeal approach, replicating successful pilots. The smallholder farmers who are working there now have more assets, have more income, are simply more bankable. Thus the private sector, the private financiers come in and lend to them because they're more bankable and the project simply picks up and moves someplace else and replicates that way.

We also consider donor expansion or expansion through donor funding – which is interesting, but as you've heard earlier today and in other venues there's simply not enough donor money available to address any one of the significant challenges that face the world let alone the incredibly complex issues of food security.

So the key takeaway message is to all of you who are Australian agribusinesses. We know that you are incredibly strong throughout the value chain, you have incredible knowledge and research; we're inviting you to think about how you might want to engage with Grow Asia, engage with our country partnerships, to think about what role Australian businesses can have in effecting food security while still growing your markets. We really see this a commercial proposition for you and we're hoping that Grow Asia can be a conduit that can help facilitate your participation. Thank you.

Alison Eskesen is Director, Knowledge and Accountability with Grow Asia. She is a seasoned international development executive working 16 years at the intersection of development and finance. In over 30 countries worldwide, she has built a track record of measurable results by cultivating strategic partnerships among governments, private banks, foundations and impact investors.

Previously Alison was Director of Research and Programs at Impact Investment Shujog, where she oversaw the day-to-day operations and growth of Shujog. This included measuring the impact of organisations, providing leadership on the design and implementation of technical assistance programs, and contributing as a principal researcher on commissioned papers. Alison has spent the majority of her career at the U.S. Agency for International Development (USAID), where she mobilised domestic capital for local development projects by structuring and negotiating innovative financing mechanisms. She headed the business development team with a total portfolio of \$2.8 billion. While at USAID Alison also created and managed development programs that strengthened urban governance and facilitated slum upgrading.

Alison has also traded fixed income securities, fundraised for a New York State non-government organisation, and consulted for the United Nations Development Programme and the Rockefeller Foundation. She holds an MA from Columbia University and a BA from Colgate University. She was also a Fulbright Scholar in Paraguay.