



Follow the Food

- Reflections on Inclusive Business models for Food Security




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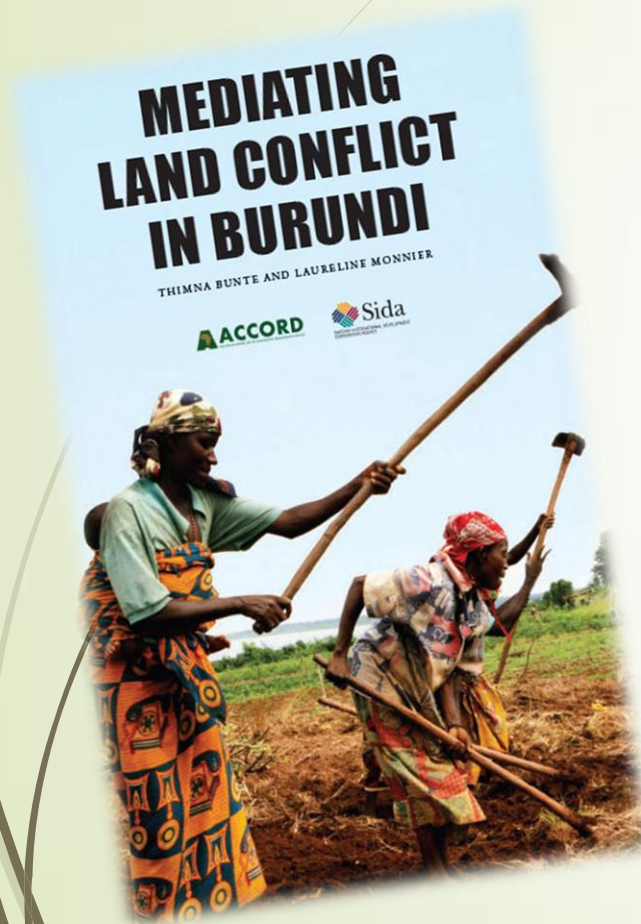
Set-up presentation

- Background: towards inclusive business models
 - What the literature tells us
 - Follow the Food research program
 - When we really follow the food.....
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Foreign Direct Investment in Africa



Rising conflicts



Inclusive Business



Criteria for inclusive business models

An IBM:

- *provides a living wage for vulnerable groups*, such as smallholder groups, small enterprises, women- and youth-run enterprises, while also enabling buyers to profit;
- *uses flexible trading arrangements* that make it easier for smallholders or MSEs to supply a buyer, such as cash on delivery, accepting small consignments, providing reliable and regular orders;
- *supports farmers and small enterprises to establish a stronger negotiation position* through skills development, collective bargaining and access to market information and financial services;
- *builds on the skills and expertise of existing market players*, including traders and processors, and promotes value chain collaboration, transparency in pricing mechanisms, and risk sharing;
- *is scalable in the medium-term* so that the numbers of small actors involved can be increased and/or the type of business model can be replicated in other value chains or parts of the sector;
- *allows for diversified income streams* in the long term to enable the dissemination of upgraded skills to the rest of the sector, avoiding overdependence on any single buyer or market outlet.



TRADE

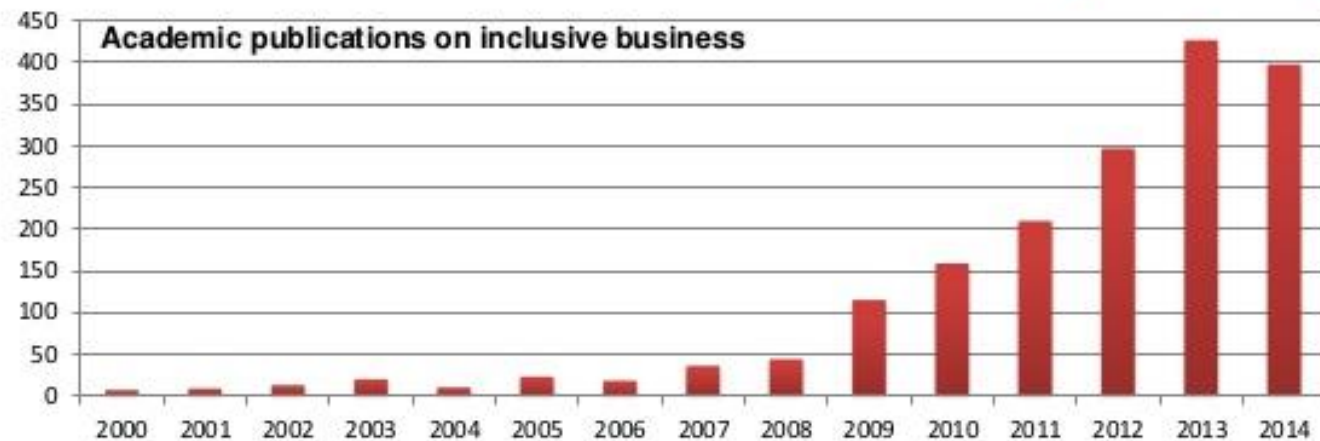


NOT AID

HIPSTER



INCLUSIVE BUSINESS – A new development fad or transformation pathway?



THINKING beyond the canopy





What the literature tells us

- IBMs can bridge gaps in the market and the business environment, however, rarely do they transform barriers that hamper the poor structurally.
- IBM's do not reach the poorest.
- Evidence of effects on local resources ambiguous.
- Many cases where private sector takes over/ realises public tasks.
- IBM's mostly evaluated on direct impacts.



Follow the Food research program

► IBM cases in different value chains:

- Traditional export crops
- Non traditional export crops
- Traditional staple crops

Follow the food:

- What effects do we observe for the people involved in production (beyond income: market access, food availability, land-use, water use)
- What effects are there for the people not involved (changing resource use, land conversion).
- Impact on local food markets (food availability, quality, waste).

The case of **French beans** smallholder farmers





Key issues

- Current land sizes – less than **1ha** , Ongoing fragmentation
- Water challenge - no training/infrastructure, Rationing due to climate change

Opportunities & Pit Falls





Conclusion

- Inclusive business models have a promise in them.
- However, as long as certain preconditions outside the model are not met, the inclusiveness of the business is questionable.
- Evaluation should also take into account unintended and spill-over effects