



AGRICULTURE

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CCO BRIEF
ON
AGRICULTURAL
COOPERATION

COMCEC COORDINATION OFFICE
April 2017

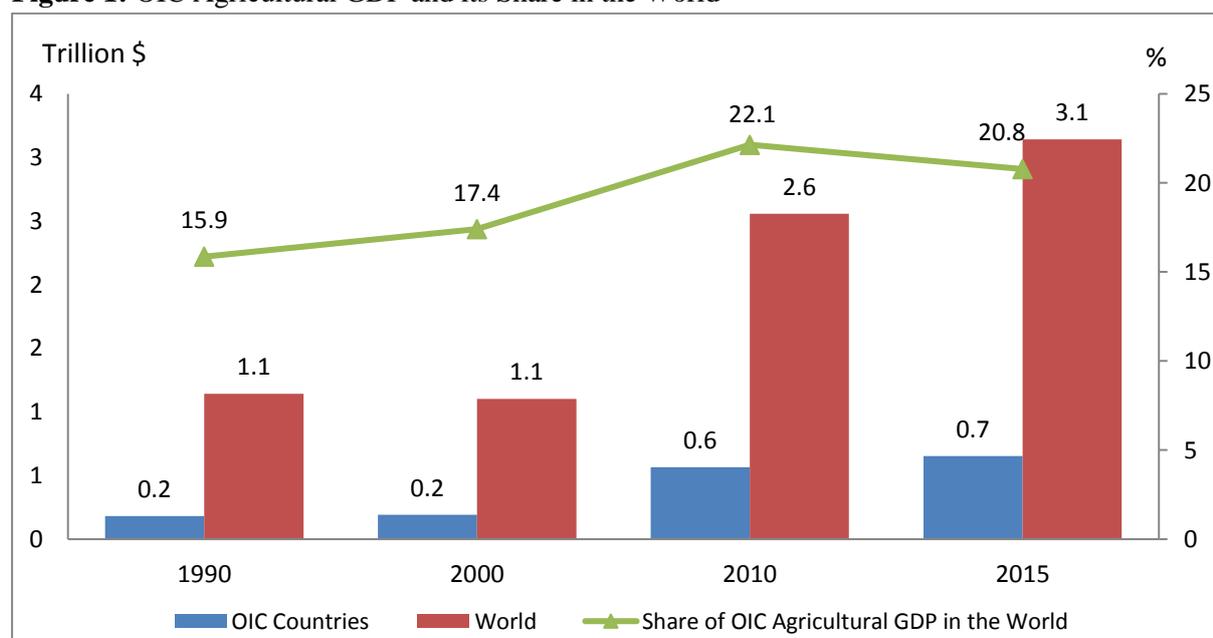
BRIEF ON AGRICULTURAL COOPERATION

As of 2015, world population has reached to 7.4 billion people, and almost half of it lives in rural areas where the main economic activity of people is agriculture. For many economies, especially those of developing countries, agriculture plays a distinctive role in economic development. It is seen as an important engine of growth and unique source for poverty reduction in the majority of the developing world. Empirical studies demonstrate that agriculture sector is the most effective sector in generating income for the poorest segments of the population. According to the World Bank, one percent economic growth originated from agriculture increases the expenditures of the three poorest deciles by at least 2.5 times than 1 percent economic growth originated from the rest of the economy in developing countries.

Agriculture in the OIC Member Countries

Agriculture is one of the leading sectors in terms of income, employment and trade in many Organization of Islamic Cooperation (OIC) countries. The value of agricultural production in the OIC Member Countries has increased in the last decade due to increase in prices and production. In 1990, agricultural GDP of the OIC Member Countries was \$181.3 billion, which was 16 percent of the world agricultural production. In 2015, the OIC Member Countries' agricultural GDP reached \$652.9 billion and its share in world agricultural production increased to 20.8 percent.¹ These figures show that the share of the agricultural production of the OIC countries in world agricultural production increases. However, the agricultural sector in the OIC Member Countries underperformed than expected despite the fact that the OIC Members Countries have 29 percent of the world's agricultural area. Figure 1 shows the contribution of the agricultural sector to GDP in the OIC Member Countries and its share in world agricultural production.

Figure 1: OIC Agricultural GDP and its Share in the World

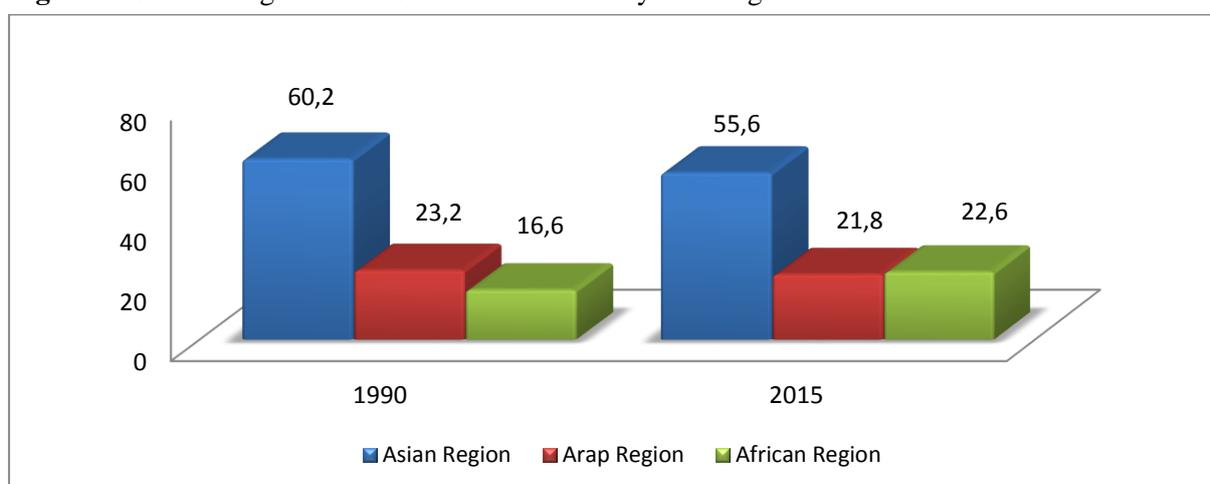


Source: Calculated by using UNSTAT data.

¹ Calculated by using UNSTAT data.

Figure 2 shows the share of agricultural GDP in total GDP of the three official regional groups of the OIC (Africa, Arab and Asia). In this context, the contribution of the above-mentioned country groups to the total agricultural GDP of the OIC had been changing and showed an irregular trend in the period of 1990-2015 period. In this framework, Asian Group Countries realized \$109 billion of the OIC agricultural GDP in 1990, which reached \$363 billion in 2015 and was more than half of the total agricultural GDP of the OIC Member Countries. The Asian Group is followed by the African Group and the Arab Group, which realized approximately \$148 billion and \$142 billion respectively in 2015. The share of the African Group agricultural GDP in total OIC agricultural GDP rose from 16.6 percent to 23.2 percent from 1990 to 2015, while the share of the Arab Group decreased from 23.2 percent to 21.8 percent in the same period.

Figure 2: Share of Agricultural GDP in Total GDP by Sub-Regions

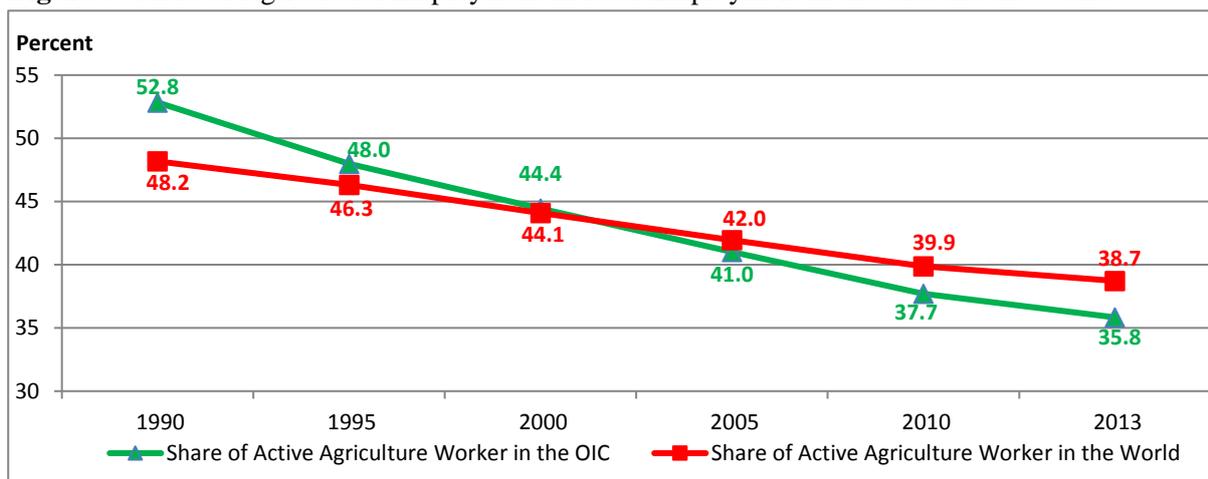


Source: Calculated by using UNSTAT data

As many developing countries, the agriculture sector is a significant source of employment in the OIC Member Countries. The number of people employed in the agriculture sector in the OIC Member Countries reached 240 million in 2013, which accounts for the 18 percent of world's agricultural employment. In 1990, OIC agriculture sector employed almost 182 million people, where total employment was 344 million, whereas the number of people employed in agriculture sector reached 240 million in 2013 and total employment in the OIC Member countries was realized as nearly 670 million people.²

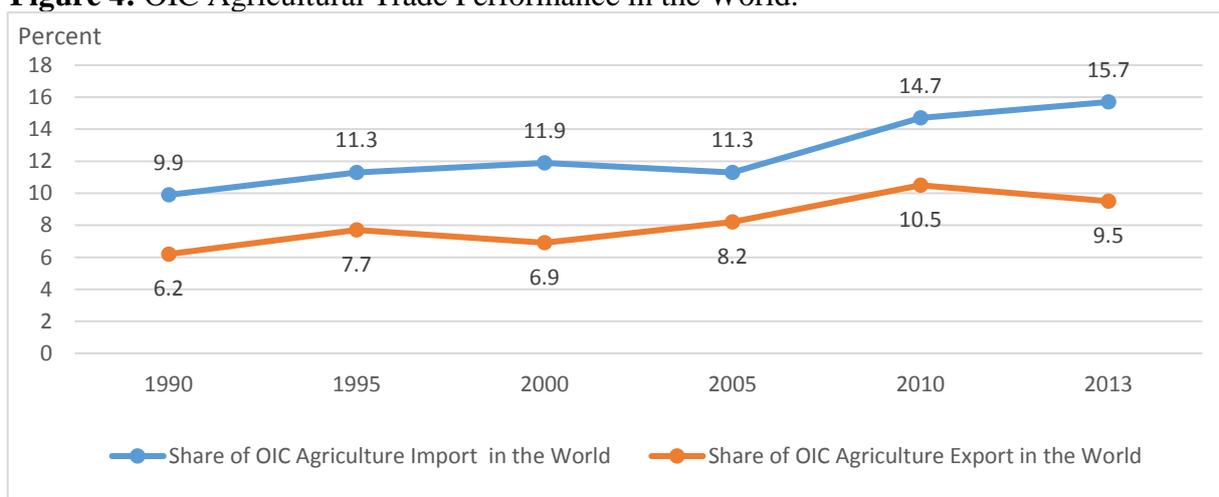
On the other hand, while the number of people employed in agriculture has been increasing in the OIC, the share of agricultural employment in total employment has been decreasing over time. In 1990, agriculture accounted for almost 52.8 percent of total employment in the OIC, which was higher than the share of the World's agricultural employment. In 2013, the proportion of agricultural employment in total employment in the OIC was 35.8 percent. Therefore, the share of agricultural employment in total employment in the OIC has become lower than the share of agricultural employment in the World in 2013 (Figure 3).

² Calculated by COMCEC Coordination Office.

Figure 3: Share of Agricultural Employment in Total Employment in the OIC and the World

Source: COMCEC Agriculture Outlook 2016

Agricultural products have an important place in the exports of many OIC countries. In 1990, the OIC Member Countries accounted for 9.9 percent of the world's agricultural imports, which increased to 15.7 percent in 2013. Similarly, agricultural exports of OIC countries increased from 6.2 percent in 1990 to 9.5 percent in 2013 (see Figure 4).

Figure 4: OIC Agricultural Trade Performance in the World.

Source: COMCEC Agriculture Outlook 2016

Main Challenges of the Agriculture Sector in the OIC Member Countries

The majority of the OIC Member Countries are not self-sufficient in terms of food production and considerably depend on import of agricultural products. Besides, OIC agricultural production is mainly concentrated in a limited number of Member Countries, namely Indonesia, Nigeria, Turkey, Pakistan, Iran, Egypt, Malaysia, Bangladesh, Sudan and Algeria. More than 75 percent of the total agricultural products are produced by these Member Countries.

The agriculture sector in the OIC Member Countries has mainly been suffering from, among others:

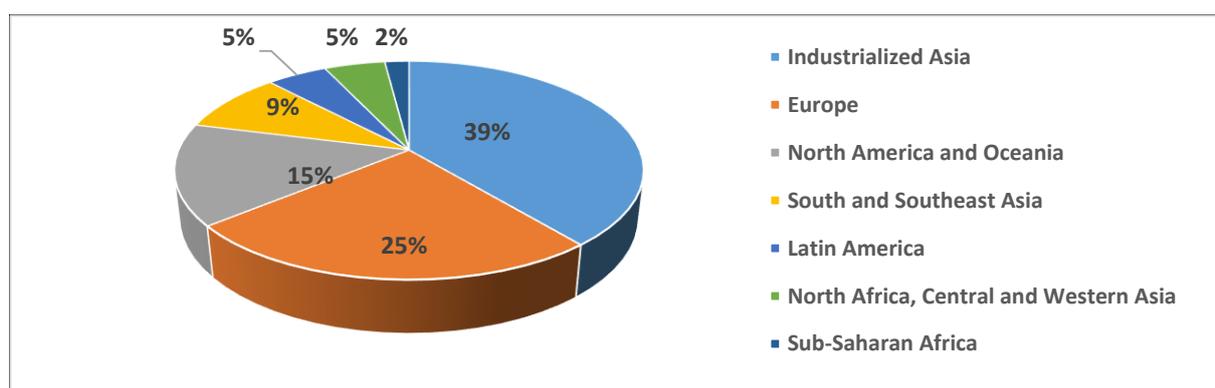
- Low agricultural productivity;
- Lack of institutional framework to provide necessary adjustments for a more efficient and productive agriculture sector;
- Inadequate public sector investments in infrastructure;
- Lack of private sector investments in farming and agribusiness enterprises;
- Lack of sustainable natural resource management (land, water, fisheries and forests);
- Food losses and waste.

Reducing Food Waste in the World

World population is expected to reach 9.7 billion by 2050 and it is estimated that the global food supply needs to be increased by 60 percent in order to meet the growing food demand by 2050. At the same time, according to the United Nations Food and Agriculture Organization (FAO) estimates, around 1.3 billion tons of food produced for human consumption are wasted annually. In other words, around one-third of the food produced for human consumption in the world is lost without being consumed every year. Food loss and waste cost the global economy \$940 billion each year. Meanwhile, around 800 million people globally are struggling with hunger problem. The hunger problem and food security continue to be a major global issue to be dealt with. In this respect, second Sustainable Development Goal (SDG), endorsed by the United Nations (UN) in 2015, is defined as “End hunger, achieve food security and improved nutrition, and promote sustainable agriculture”.

According to the recent studies, 80 percent of the global food waste at the consumer level is in developed countries and 20 percent is in developing countries³. In this context, it is observed that food waste increases as the level of development increases. Indeed, the share of sub-Saharan Africa, largely the Least Developed Countries, in total food waste is only 2 percent (See Figure 5).

Figure 5: Regional Breakdown of Food Waste in the World



Source: *Reducing Food Waste in the OIC Member Countries*, COMCEC

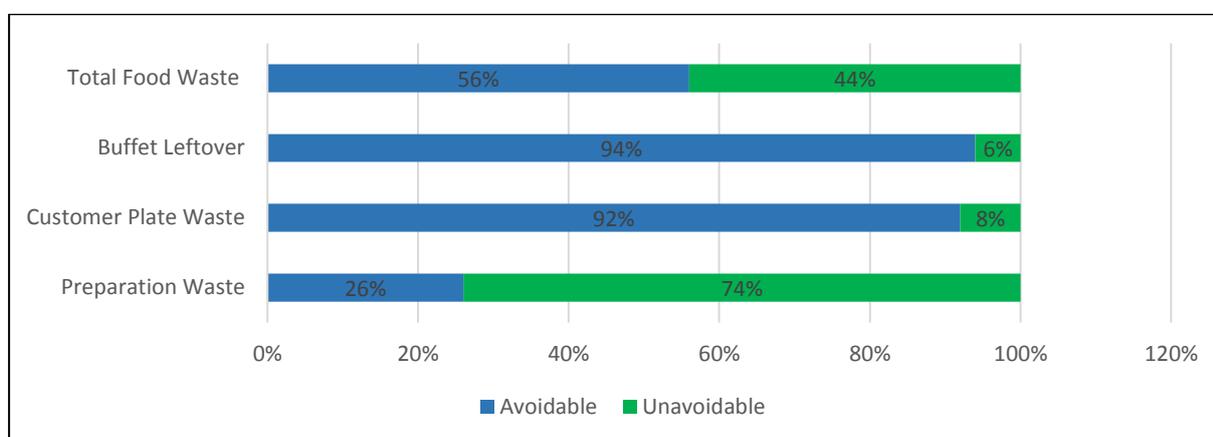
³ Reducing Food Waste in the OIC Member Countries, COMCEC

Reducing Food Waste in the OIC Member Countries: Ninth Meeting of the Agriculture Working Group

Food waste is an important challenge for the OIC Member Countries in terms of ensuring the food security. Given the importance of food losses and waste, the COMCEC Agriculture Working Group has devoted its last three meetings to different dimensions of this topic, namely: On-Farm Food Losses, Post-Harvest Losses and Food Waste in the OIC Member Countries. In this respect, the 9th Meeting of the Agriculture WG was held on February 23rd, 2017 with the theme of “Reducing Food Waste in the OIC Member Countries” and a research report on the same theme was submitted to this Meeting.

The above-mentioned report prepared for the 9th Meeting of AWG indicates that food waste occurs in the household and in the service sector for some basic reasons and it can be avoided. In this respect, it is estimated that 56 percent of the food waste in the service sector is defined as avoidable waste (See Figure 6).

Figure 6: Breakdown of Food Waste



Source: *Reducing Food Waste in the OIC Member Countries, COMCEC*

According to the said report, the food waste in the service sector occurs in three basic stages: preparation of food, leftovers and leftovers of buffets. Contrary to the preparation phase, more than 90 percent of the food left on the plate and open buffet leftovers appears to be a preventable waste. In this context, some key global and regional initiatives that aim to reduce food waste are highlighted. Furthermore, some local programs/initiatives have been developed by countries such as Turkey and Egypt, to prevent food waste at the national level. A large part of the food waste generated in the service sector can be avoided through distributing food to the needy people. A variety of initiatives to curb food waste were identified within the OIC Member Countries, with a focus on food banks, as these are adopted by some OIC Member Countries to redistribute or donate food. The food bank model adopted in Egypt is highlighted as an example of good practice.

The main attributes and causes for food waste in OIC Member Countries are:

- The impact of social and religious events creating a spike in food waste e.g. weddings and large-scale social events.
- Fruit, vegetables and bakery are the most commonly discarded products.
- Food reaching its expiry date is the most common reason given for throwing away food.
- Most household waste is generated at the preparation stage, and it is avoidable.

- Food service waste mainly occurs during the preparation stage, or due to consumers ordering too much or leaving leftovers on their plates.

The WG has discussed the subject and came up with the following policy recommendations:

1. Developing a specific legislative framework and roadmap for reducing food waste in a holistic context including supply chain
2. Promotion of food banks and food distribution networks
3. Conducting cohesive initiatives and campaigns to increase awareness on food waste in supply chain and consumption

The Proceedings of the Meetings and the presentations made during the Meetings are available on the COMCEC web page (www.comcec.org).

Lastly, 10th Meeting of the Agriculture Working Group will be held on September 28th, 2017, in Ankara, Turkey with the theme of “Improving Agricultural Market Performance: Creation and Development of Market Institutions”.

- **COMCEC Project Funding**

The OIC member countries, registered to the Agriculture Working Group and the economy-related other OIC Institutions can propose multilateral cooperation projects within the framework of the COMCEC Project Funding, which is another important implementation instrument of the Strategy.

The following projects were implemented in 2016 within the framework of COMCEC Project Funding Mechanism:

- The project titled “Rural Household Empowerment on Management of Production, Supply and Market Access” was implemented by Iran in cooperation with Azerbaijan and Turkey.
- The Project titled “Establishment of Database, Network Connection and Web Pages of Smallholders/ Family Farmer’s Agricultural Cooperatives between the OIC Member States” was implemented by Turkey in collaboration with 24 other OIC member countries.
- The Project titled “Improving Small Ruminates Productivity by using different technologies as silage, feed block and hydroponic in Palestine, Jordan and Tunisia” was implemented by Palestine.

Within the framework of the Fourth Project Call, made in September 2016, the following three projects proposed by Uganda, Indonesia and Gambia are being implemented in 2017.

- The project titled “Strengthening Capacity for Setting, Checking and Compliance of Quality Standards for Agricultural Products” is being implemented by Uganda with four partner countries, namely, Cote d’Ivoire, Gambia, Sudan and Turkey.
- Indonesia is implementing the project on “Improving Income of Small and Medium Scale Farmers in the OIC Member States through Reducing Losses of Livestock Production” with the participation of Brunei Darussalam, Egypt, Malaysia and Sudan
- The project titled “Reduction of Post-Harvest Losses in Cereals for Improving Rural Livelihood” is being implemented by the Gambia in cooperation with Nigeria and Indonesia.
