



AGRICULTURE

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CCO BRIEF ON AGRICULTURAL COOPERATION

**COMCEC COORDINATION OFFICE
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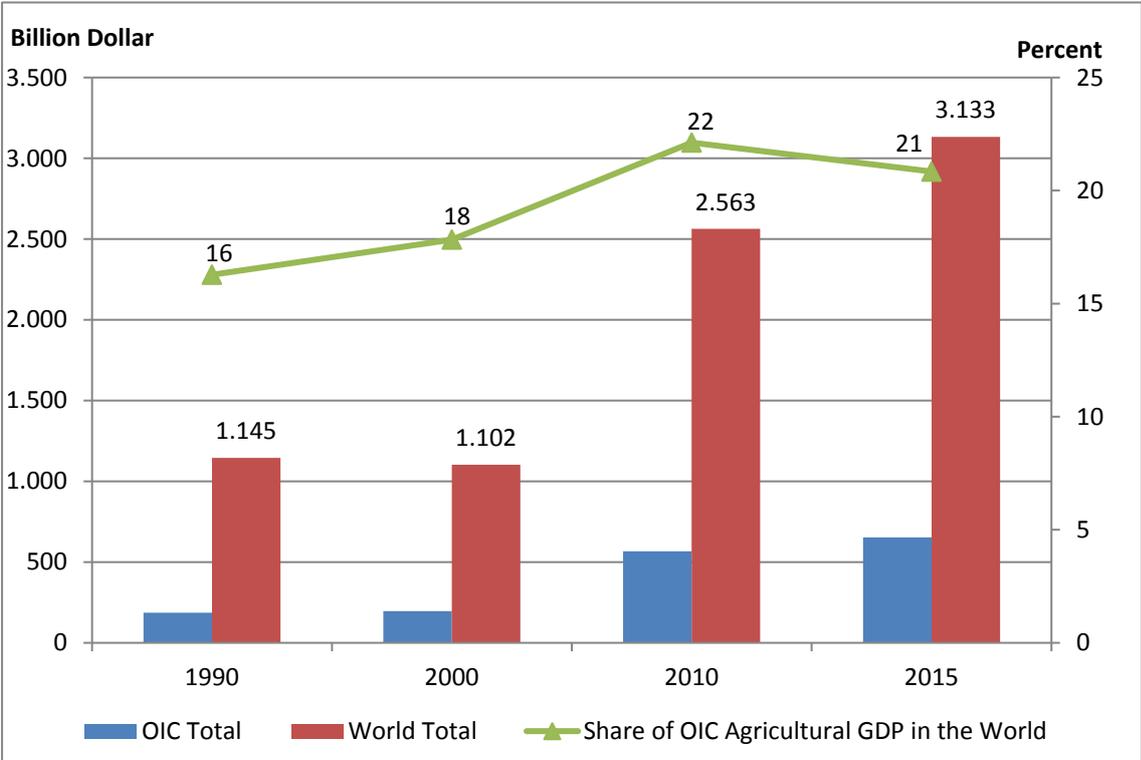
BRIEF ON AGRICULTURAL COOPERATION

The world’s human population has reached more than 7 billion. Almost half of these people live in rural areas where the main economic activity 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 a unique source for poverty reduction in most of the developing world. Empirical studies demonstrate that the agriculture sector is the most effective sector in generating income for the poorest segments of the population. According to the World Bank, in developing countries one percent of economic growth originated from agriculture increases the expenditure of the three poorest deciles at least 2.5 times as much as the one percent of economic growth originated from the rest of the economy.

Agriculture in the OIC Member Countries

In many member countries of the Organization of Islamic Cooperation (OIC), agriculture is one of the leading sectors in terms of income, employment and trade. 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, OIC agricultural GDP was \$186 billion with a share of 16 percent in the world’s agricultural production. In 2015, OIC agricultural GDP reached \$653 billion US Dollars with a share of 21 percent in the world’s agricultural production (Figure 1).

Figure 1. OIC Agricultural GDP and its Global Share



Source: COMCEC Agriculture Outlook 2017

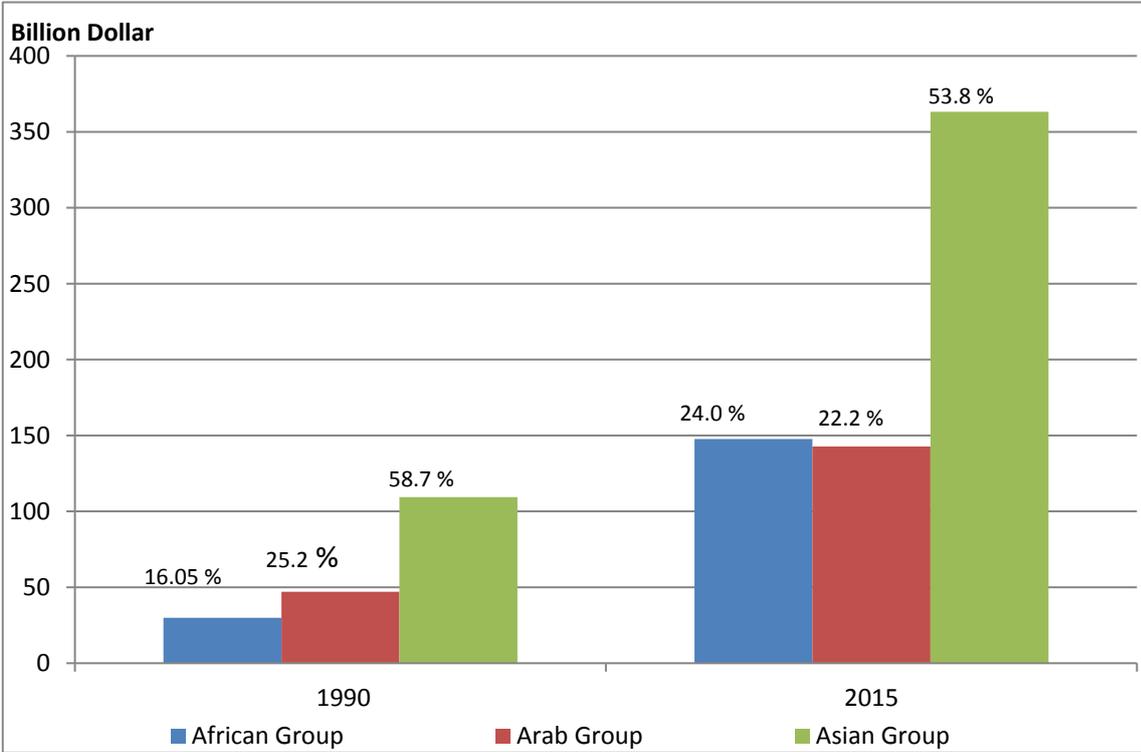
This figure shows the increasing importance of OIC member countries’ agriculture in the world. However, OIC member countries have a relatively lower performance in the

agriculture sector. According to the FAO, OIC member countries have 29 percent of the total world agricultural area. Therefore, the potential of the agricultural sector in the OIC member countries could be more effectively utilized to increase their share of global agricultural output.

Figure 2 shows the share of agricultural GDP in total GDP of the three official regional groups of the OIC (African, Arab and Asian). In the period from 1990-2015, the relative performance of the African Group strengthened compared with the Arab and Asian Groups; nevertheless, over the years, the Asian Group has made the highest contribution to agricultural production.

As of 2015, OIC agricultural GDP reached 653 billion US Dollars and the contribution of the Asian group to this value is 363 billion US Dollars, which is more than half of the total agricultural GDP of the OIC member countries. Hence, the Asian Group has the highest amount of the agricultural GDP, followed by the African Group and the Arab Group with approximately 148 billion and 143 billion US Dollars, respectively.

Figure 2. Agricultural GDP by Sub-Regions and their Share by current price



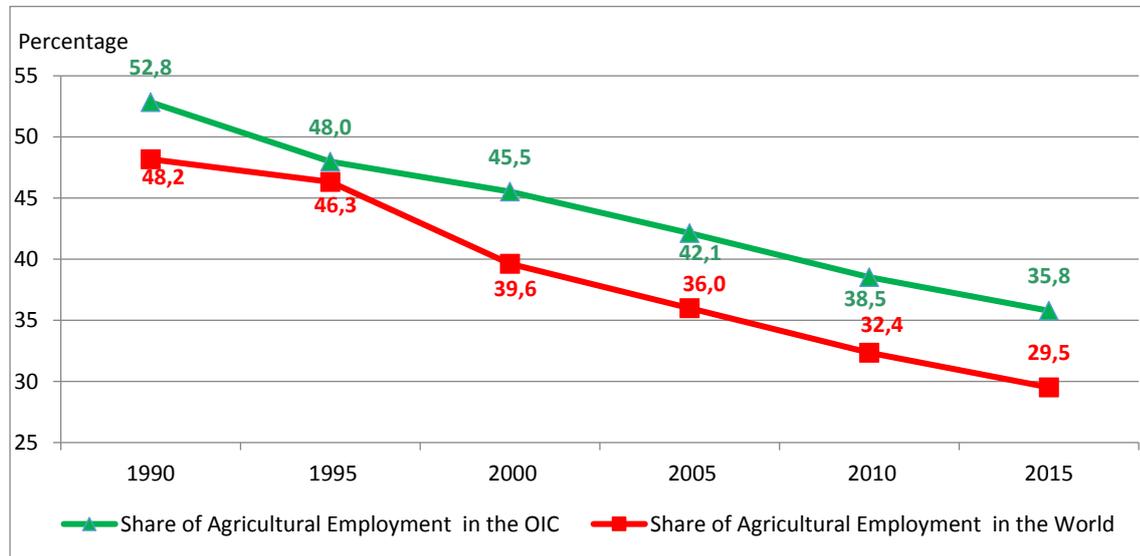
Source: COMCEC Agriculture Outlook 2017

As with many developing countries, the agriculture sector is a significant source of employment in the OIC member countries. In 1990, the agricultural sector of OIC member countries employed almost 195 million people. From 2015, 25 million agricultural laborers were added, increasing the number of people employed in agriculture to 220 million people.

Despite the increase in agricultural employment, over time the share of agricultural employment is decreasing. In 1990 agriculture accounted for almost 52.8 percent of total employment in the OIC, which is higher than the worldwide share of agricultural employment. At the beginning of the 2000s, the contribution of agricultural sector to total

employment decreased to around 44 percent both in the OIC and globally. Since then, the share of agriculture in the OIC member countries' total employment is becoming lower than the rest of the world. For example, in 2015 the proportion of agricultural employment was 35.8 percent in the OIC and 29.5 percent worldwide.

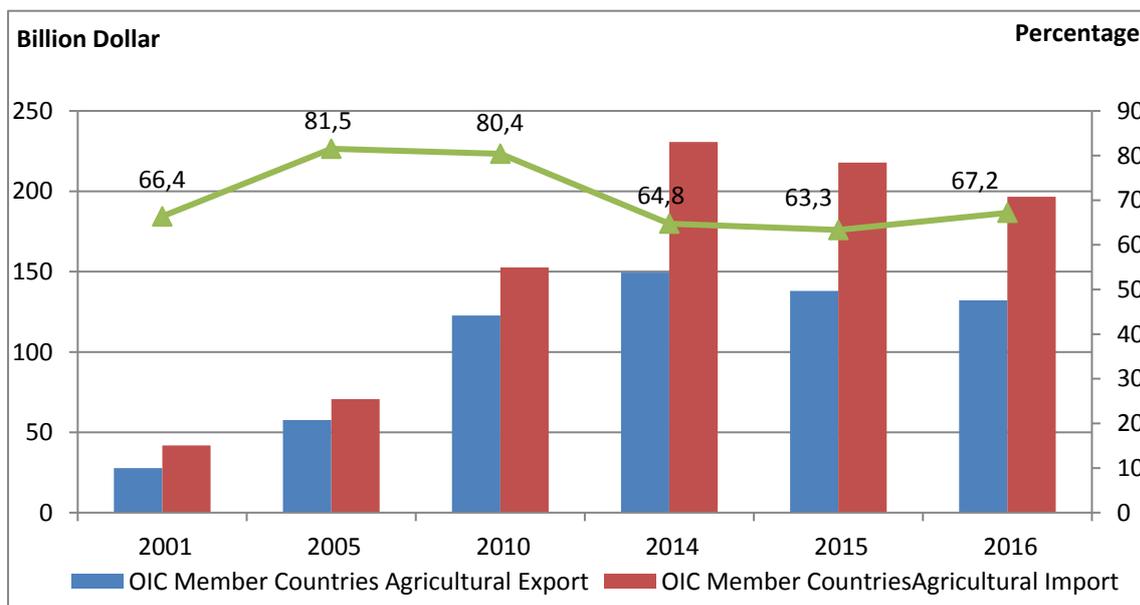
Figure 3. Share of Agricultural Employment in the OIC and World



Source: COMCEC Agriculture Outlook 2017

Agricultural commodity trading of the 57 OIC member countries has increased considerably in the last decade, up to 2016. Total agricultural trade in the OIC member countries grew by more than 4 times during this period, reaching \$329 billion in 2016 (Figure 4). In 2016, the total agricultural commodity imports of OIC member countries reached \$196 billion, from \$42 billion in 2001. Correspondingly, total agricultural commodity exports of OIC member countries was \$133 billion in 2016 compared with \$28 billion in 2001.

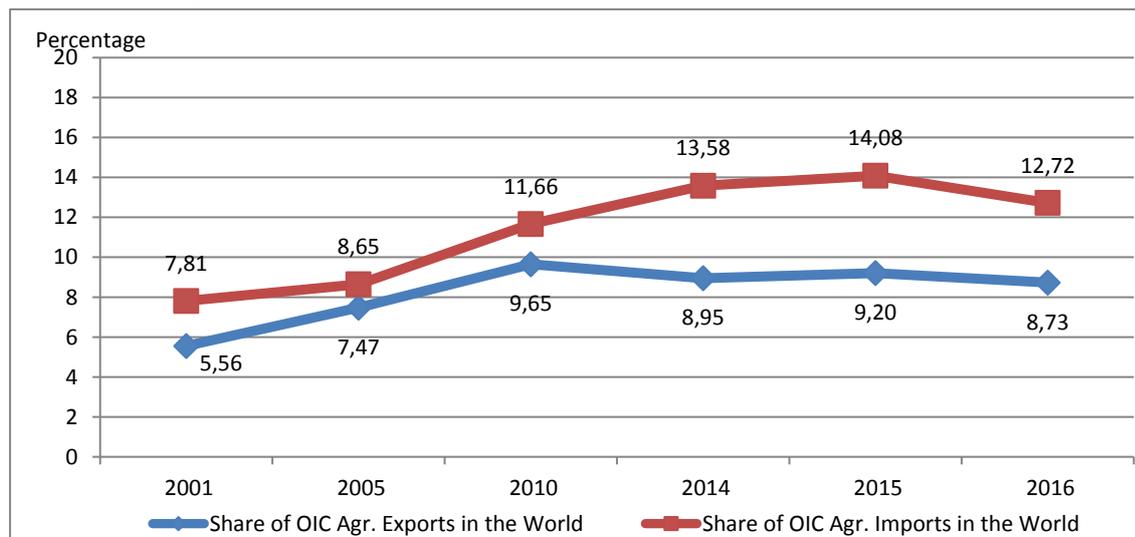
Figure 4 Agricultural Exports and Imports in the OIC



Source: COMCEC Agriculture Outlook 2017

The global share of OIC member countries' agricultural imports increased to 12.72 percent in 2016 from 7.81 percent in 1990. Correspondingly, the contribution made by OIC agricultural exports to world agricultural exports reached 8.73 percent. Both agricultural imports and exports have risen significantly during the 2005-2014 period. During the 2014-2016 period, while the share of agricultural commodity exports of the OIC Member Countries stabilized, the contribution made by OIC agricultural imports to global agricultural imports began to decline (see Figure 5).

Figure 5. OIC Agricultural Trade Performance of OIC Member Countries in the World



Source: COMCEC Agriculture Outlook 2017

Main Challenges of the Agriculture Sector in the OIC Member Countries

In terms of food production, the majority of the OIC member countries are not self-sufficient and depend to a great extent on the import of agricultural products. Likewise, 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. These Member Countries produce more than 75 percent of the total agricultural products.

As well as other problems, the agriculture sector in the OIC Member Countries has mainly been suffering from:

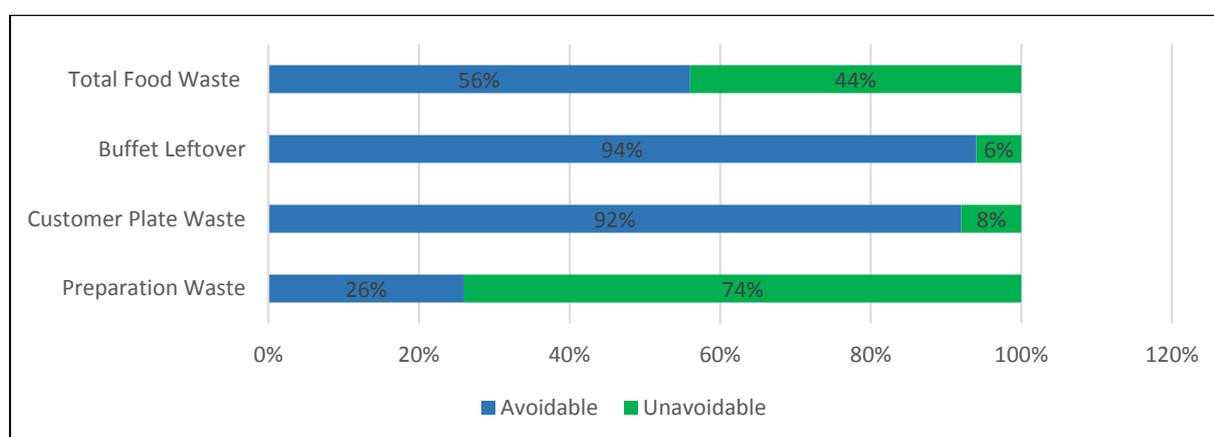
- Low agricultural productivity
- Lack of institutional framework to provide necessary adjustments for a more efficient and productive agriculture sector
- Inadequate public sector investments in infrastructure
- Lack of private sector investments in farming and agribusiness enterprises
- Lack of sustainable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

Reducing Food Waste in the 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 fundamental 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, countries such as Turkey and Egypt have developed some local programs/initiatives to prevent food waste at the national level. A large part of the food waste generated in the service sector can be avoided by distributing the food to needy people. A variety of initiatives to curb food waste have been identified within 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 goods 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 discussed these issues 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 the supply chain
2. Promotion of food banks and food distribution networks
3. Conducting cohesive initiatives and campaigns to increase awareness of food waste in the 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).

Improving Agricultural Market Performance: Creation and Development of Market Institutions: Tenth Meeting of the Agriculture Working Group

Effectively functioning agricultural and food markets depend on a well-functioning system of market institutions to address market failures and to realize policy objectives relating to ensuring food security, stabilizing food prices, stimulating domestic food production, promoting social inclusion, and reducing rural poverty.¹ In this context, the 10th Meeting of the Agriculture WG will be held on September 28th, 2017 with the theme of “Improving Agricultural Market Performance: Creation and Development of Market Institutions” and a research report on the same theme will be submitted to this Meeting.

The above-mentioned report indicates that the ability of the private sector to raise productivity and to modernize the agricultural sector by introducing innovative and sustainable technologies and management practices, is often limited by poor infrastructure, high losses and waste, high transaction costs, and an unfavorable business climate, and depends above all on appropriate policies and the effective functioning of agricultural market systems.

For this reason, governments across the globe intervene in the agricultural and food sector to address market failures, complement and facilitate private sector participation, and realize policy objectives related to food security, food self-sufficiency, rural poverty, reasonable and equal food prices, competitiveness, industrialization, and rural economic development.

According to this report, the degree of agricultural market intervention, and consequently the creation of market institutions, varies across the OIC Region. Several OIC Member Countries have the institutions to enable this.

The agricultural market institutions established across OIC Member Countries seek to address some common concerns:

- Combatting price volatility in order to provide reasonable income for smallholders and affordable prices for domestic consumers
- Stabilizing domestic markets by mitigating seasonal or cyclical fluctuations in prices or supply, and also preventing exploitation and oligopoly

¹ COMCEC Coordination Office (2017) Improving Agricultural Market Performance: Creation and Development of Market Institutions

- Generating demand to protect farmer income and risk exposure (rural poverty alleviation), while simultaneously promoting industry development
- Ensuring food for increasing populations of urban consumers.

The WG discussed these issues and came up with the following policy recommendations:

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

- **COMCEC Project Funding**

Through its Project Funding Mechanism, the CCO provides grants to the selected projects proposed by the relevant OIC institutions and Member States that have already registered with the Agriculture Working Group.

Three projects in the agriculture cooperation area were successfully implemented in 2016, by Iran, Palestine and Turkey. Iran implemented the project, “Rural Household Empowerment on the Management of Production, Supply and Market Access” with the participation of Azerbaijan and Turkey. The project aimed to facilitate and build the market access capacities of smallholder farmers producing Good Agriculture Products (GAP). In this context, the project team made study visits to the partner countries in order to observe ongoing practices related to the project topic. Also, a two-week training program was held in Tehran with the participation of experts from the partner countries. Following the training program, a project report and visibility materials (booklet, brochures etc.) were prepared by the project team, based on the findings of the study visits and training program, and these materials were shared with the partner countries for awareness raising.

The project “Improving Small Ruminates Productivity by Using Different Technologies as Silage, Feed Block and Hydroponic in Palestine, Jordan and Tunisia” was implemented by Palestine with the participation of Jordan and Tunisia. The purpose of the project was to improve small ruminates productivity through applying new technologies in alternative feeding systems. Within the framework of the project, a two-week training program was held in Jordan with the participation of three experts from each partner country. During the training program, the participants shared their country’s experiences on the issue. In addition, the project team prepared a project report based on the project activities.

Turkey implemented a project called “Establishment of Database, Network Connection and Web Pages of Small holders/Family Farmer’s Agricultural Cooperatives between OIC Member States” with the participation of 25 OIC Member Countries. The aim of the project was to build a portal, in order to provide a platform to increase trade and cooperation among member countries, especially in the trade of agri-food products produced by small-scale farmers. In this regard, at the first stage of the project, the project team designed a portal and all the technical infrastructures were completed for the registration of the member countries. Furthermore, an international workshop was held in Ankara with the participation of experts from the partner countries. In the workshop, the portal was introduced to the participants and

some technical details about the membership and usage of the portal was shared with the representatives of the partner countries.

Two projects in the area of agriculture cooperation were implemented in 2017 by Indonesia and the Gambia. The Ministry of Agriculture of Indonesia implemented the project, “Improving Income of Small and Medium Scale Farmers in the OIC Member States through Reducing Losses of Livestock Production.” The partner countries for this project were Turkey, Qatar, Brunei Darussalam, Egypt, Malaysia and Sudan. The purpose of the project was the strengthening and improving of national food security in OIC member countries, through the reduction of losses in livestock production (milk, meat and eggs). The project included local data collection for comparative analysis on reducing losses (milk, meat and egg) in livestock production, study visits to Turkey and Qatar for comparative analysis, international seminar and training programs on reducing food losses on milk, meat and eggs with the participation of representatives from Brunei Darussalam, Egypt, Malaysia and Sudan and also the preparation of a final project report based on the project activities.

The Ministry of Agriculture of The Gambia implemented the project, “Reduction of Post-Harvest losses in Cereals for Improve Rural Livelihood.” The purpose of the project was to improve food security and rural livelihoods by introducing better post-harvest management techniques for cereals. In this regard, the project activities included conducting study visits to Indonesia and Nigeria, in order to review current post harvest management techniques in those countries, a training program on post-harvest losses management techniques with the participation of technical staff and entrepreneurs from the partner countries and the preparation of a final report detailing the outcomes of all the project activities.
