



AGRICULTURE

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COMCEC

CCO BRIEF ON AGRICULTURAL COOPERATION

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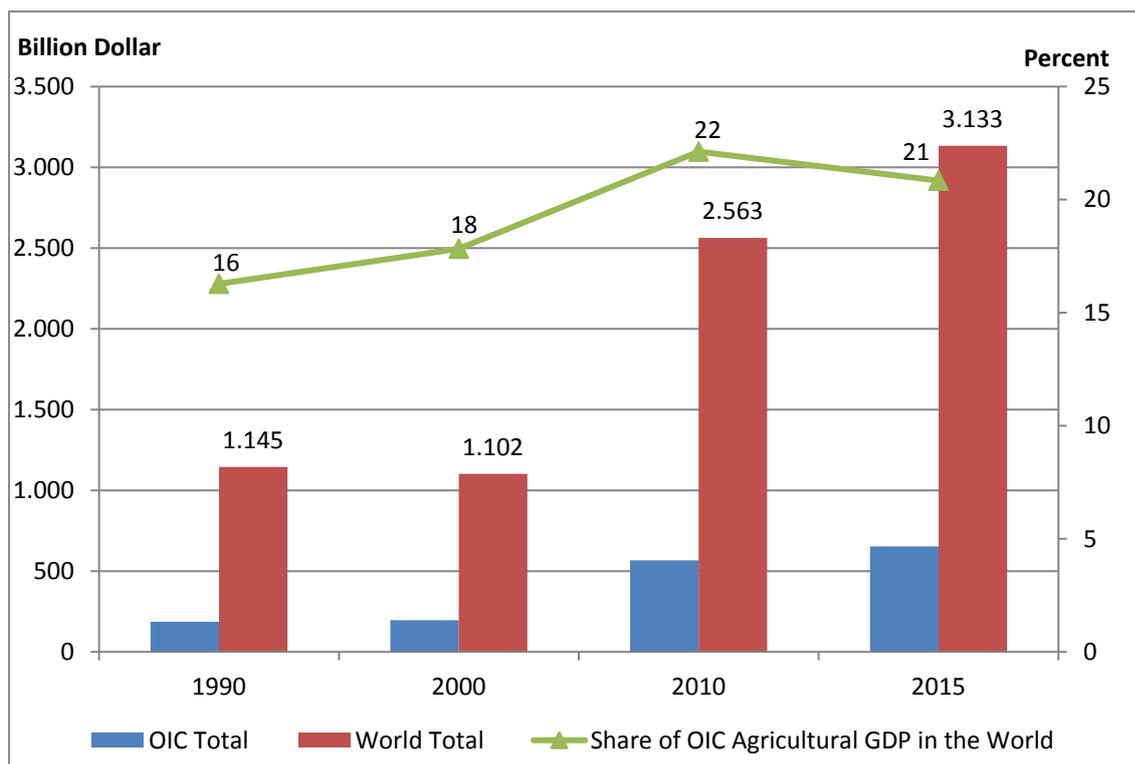
BRIEF ON AGRICULTURAL COOPERATION

Agriculture with its intrinsic nature plays a distinctive role in ever increasingly connected world economies. The agri-food systems¹ around the globe respond to the increased demand associated with rising aggregate income and rapid urbanization, in addition to imperatives of population dynamics through their geographically and economically diverse structures of supply. Most of the food in developing countries is produced on approximately 500 million small farms. Smallholder production will still be the dominant form of production in developing countries by 2030, with evidently increasing contribution capacity of smallholders to the advances in productivity.

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, the OIC agricultural GDP was US\$186 billion with a share of 16 percent in the world’s agricultural production. In 2015, the OIC agricultural GDP reached US\$ 653 billion with a share of 21 percent in the world’s agricultural production (Figure 1).

Figure 1. The OIC Agricultural GDP and its Global Share



Source: COMCEC Agriculture Outlook 2017

The figure one shows the OIC member countries have a relatively lower performance in the agriculture sector. According to the FAO, the OIC member countries have 29 percent of the total

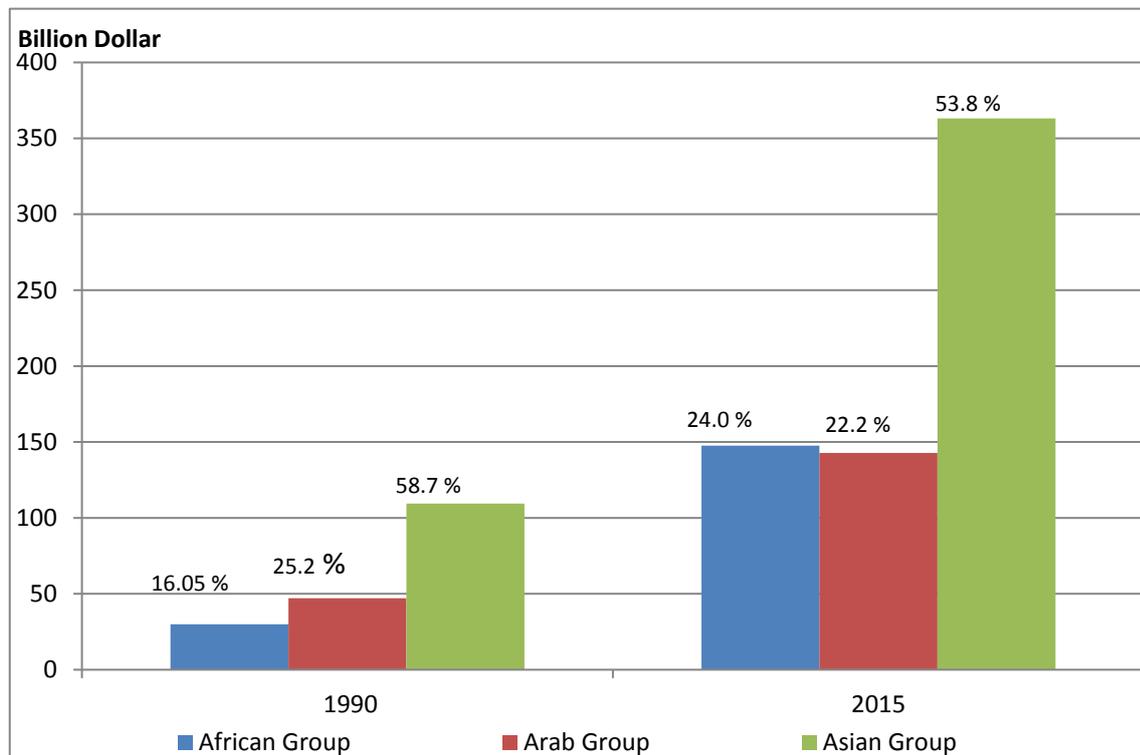
¹ The term “Agri-food system” refers to the entire range of consumers, enterprises, institutions and activities involved in the production, processing, marketing and consumption, originating from agriculture, forestry and fisheries, including the inputs needed and outputs generated at each of these steps, as adapted from FAO (2013) The State of Food and Agriculture – Food Systems for Better Nutrition, Rome:3.

world agricultural area. The potential of the agricultural sector in the OIC member countries, hence, 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, the 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

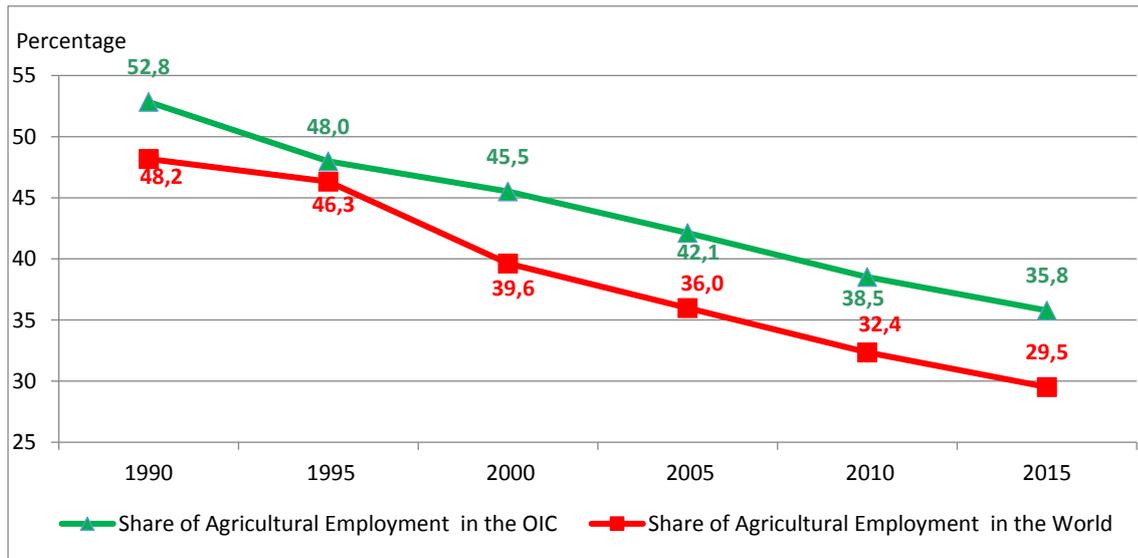


Source: COMCEC Agriculture Outlook 2017

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 labors 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. At the beginning of the 2000s, the contribution of agricultural sector to total employment decreased to around 45 percent in the OIC and 40 percent globally. In 2015, the proportion of agricultural employment was 35.8 percent in the OIC and 29.5 percent worldwide.

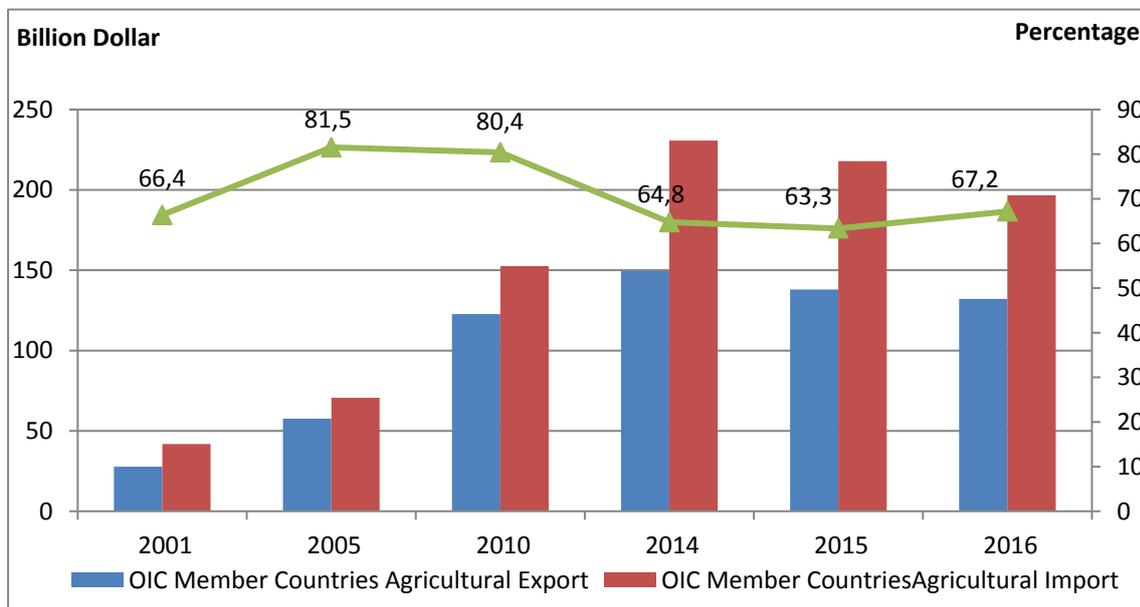
Figure 3. Share of Agricultural Employment in the OIC and World



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 US\$ 329 billion in 2016 (Figure 4). In 2016, the total agricultural commodity imports of OIC member countries reached US\$ 196 billion, from US\$ 42 billion in 2001. Correspondingly, total agricultural commodity exports of OIC member countries was US\$133 billion in 2016 compared with US\$ 28 billion in 2001.

Figure 4 Agricultural Exports and Imports in the OIC

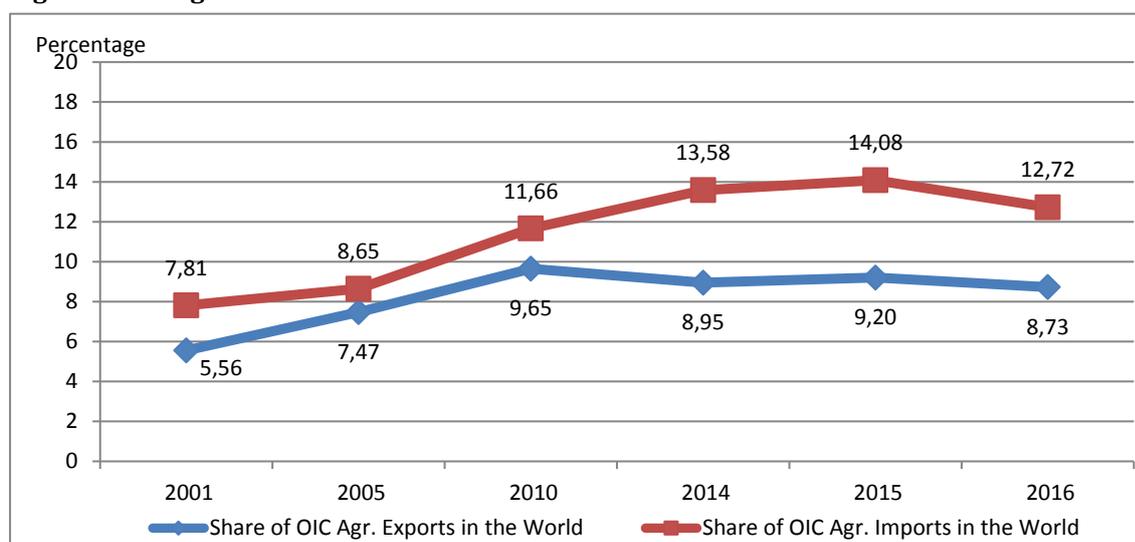


Source: COMCEC Agriculture Outlook 2017

The global share of the OIC member countries' agricultural imports increased to 12.72 percent in 2016 from 7.81 percent in 1990. Correspondingly, the contribution made by the 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 had been stabilized, the contribution made by the 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

Developing Agricultural Market Information Systems in the OIC Member Countries (Eleventh Meeting of the Agriculture Working Group)

As most of the OIC member countries are located in Sub-Saharan Africa and the arid regions of West Asia and North-Eastern Africa, with insufficient agricultural production capacity to meet the food demand of their rapidly growing populations, the OIC member countries, as a group, also rely heavily on agricultural imports, particularly of food products. This makes the OIC countries highly vulnerable to external shocks through international food price fluctuations. Therefore, the key challenge for governments in the OIC member countries is to stabilize the fluctuations in the agri-food systems and promote agricultural growth and to support poverty reduction. The Agricultural Market information systems (MIS) have been utilized for ensuring food security and improving commercial agri-food production and marketing. In this respect, the 11th Meeting of the Agriculture WG was held on February 22nd, 2018 with the theme of Improving Agricultural Market Performance: Developing Agricultural Market Information Systems and a research report on the same theme was submitted to this Meeting.

The above-mentioned report prepared for the 11th Meeting of the AWG indicates that the OIC member countries, relying on food imports for their staples, have MISs that tend to focus on enabling policy makers to manage food security. Most of the Arab Group countries are among the first group of countries while African and Asian Group countries have relatively mixed types of the MIS.

According to the said report, in the most of the Arab Group of the OIC member countries, public-run MIS is the most dominant while in the Asian and African Groups of the OIC member countries, in addition to the public-run MIS there are also supporting public institutions for the purposes of assuring national food security.

The main challenges faced by the MIS providers in the OIC member countries are:

- Challenges in collecting data
- Divergence between the type of the information provided and expected
- Sustainability of the MIS
- Lack of capacity of farmers to interpret data provided by the MIS
- Lack of effective governance of the MIS

The WG, in its 11th Meeting, elaborated on how to address these challenges and came up with the following policy recommendations:

1. Designing Market Information Systems (MIS) through assessing and reviewing targeted stakeholders with a sustained budget support and an effective monitoring and evaluation framework
2. Building sufficient capacity for stock monitoring, trend analysis and forecasting as well as other relevant subjects beyond providing price information for a better functioning MIS
3. Linking the MIS to other market-supporting institutions and/or other risk-management tools to increase the mutual benefits.
4. Forming the necessary mechanisms/platforms for an improved coordination among the key stakeholders and ensuring the effective review of the quality of information provided.

All the reports submitted to the Meetings and the presentations made during the Meetings are available on the COMCEC web page (www.comcec.org).

Analysis of Agri-food Trade Structures to Promote Agri-food Trade Networks (Twelfth Meeting of the Agriculture Working Group)

The Twelfth Meeting of the Agriculture Working Group will be held on September 20th, 2018 in Ankara with the theme of “the Analysis of Agri-food Trade Structures to Promote Agri-food Trade Networks among the OIC Member Countries”. During the Meeting, the Working Group is expected to elaborate on regional agri-food trade networks in the OIC Member Countries and to provide concrete policy recommendations for improving agri-food trade networks among the OIC Member Countries.

- **COMCEC Project Funding**

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

Two projects were successfully implemented in the agriculture cooperation area in 2017 under COMCEC Project Funding. Indonesia implemented the project titled “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 aimed at strengthening and improving national food security in the OIC member countries through reducing losses in livestock production (milk, meat and eggs). 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 ten-day training program was held in Indonesia with the participation of the partner countries. During the training program, which focused on reducing the losses of meat, milk and egg production in the partner countries, several presentations were made by the project trainers and officials from the different Indonesian institutions. In addition, in order to increase the effectiveness of the program, various field visits were conducted and experience-sharing sessions were held in the margin of the program. Following the training program, a project completion report, which summarizes the findings of the study visits and training program, was prepared by the project team.

The second agriculture project, which is titled “Reduction of Post-Harvest Losses in Cereals for Improving Rural Livelihood”, was implemented by the Gambia with the participation of Indonesia and Nigeria. The purpose of the project was to develop and introduce better post-harvest management techniques for cereals. Within the framework of the project, project team conducted study visits to the partner countries in order to observe current situation in the partners on reducing post-harvest losses in cereals. Besides, a training program was conducted in the Gambia with the participation of 26 technical staff and 23 entrepreneurs. During the program, the participants were trained on several

topics such as management of post-harvest losses, techniques and technologies for preventing the losses, food safety and quality standards. In addition, the project team prepared a project report summarizing the results of the project activities.

Under the Fifth Project Call, which was made in September 2017, two projects have been selected for funding in agriculture cooperation area of the COMCEC Project Funding. The first project will be implemented by Indonesia and titled “Developing Agricultural Market Information System for Horticulture Farmers”. Project partners for this project is Malaysia, Bangladesh, Brunei Darussalam, Egypt, Pakistan and Jordan. The project aims at facilitating the marketing of agricultural products, especially horticulture in the OIC member countries through capacity building activities on marketing management information systems. In this regard, study visits to Australia and Morocco will be conducted by the project team for data collection on best marketing practices for agricultural products. In addition, an international workshop will be organized in order to share experiences on market access strategies and best practices for global competitiveness adopted and promoted by advanced countries. Lastly, a training program with the participation of experts from the partner countries will be held in Indonesia. In the training program, which includes onsite training, participants will be trained on theoretical and practical aspects of the marketing management information systems.

The second agriculture project titled “Improving Agricultural Irrigation Extension Services” will be implemented by Turkey with the participation of Algeria, Morocco and Tunisia. The project purpose is improving knowledge and experience of technical staff who are employed in agricultural irrigation extension and training services. Within the scope of the project, project team will conduct study visits to the partner countries for investigating current situation in the irrigated fields and good practices on agricultural irrigation. After the study visits, in the workshop, which will be held in Turkey with the participation of experts from the partners, difficulties and opportunities of improving the irrigation extension services will be elaborated in detail. Immediately after the workshop, a training program, which focuses on innovative approaches for the effective use of limited water resources, new irrigation techniques, alternative irrigation water resources such as saline or drainage water and water harvesting techniques, will be organized.

