



CCO BRIEF ON AGRICULTURE

BRIEF ON AGRICULTURAL COOPERATION

Agriculture occupies an important place in the economic development of the countries especially the least developed and developing countries including the COMCEC Member Countries. It is one of the main economic activities that provide employment in the global economy. It is an important contributor to the national economic growth as well as to rural employment. In the COMCEC Region, 52.8 percent of the population lives in rural areas and most of them depend upon agriculture for their livelihoods.¹ Therefore, agriculture is not just about food production but also a very important means of broad-based income generation for many COMCEC Countries.

Agriculture in the World

Agriculture remains significant for people's life in today's globalized world. It is crucial for millions of people to meet their basic needs and for income generation. In this regard, the increasing world population, especially in the developing countries, resulted in a growing demand for agricultural products. In order to meet the growing demand, agricultural productivity needs to be increased all over the world.

Today, agricultural population represents a remarkable portion of the total population in the world, particularly in LDCs. According to the World Bank, agricultural population in the world accounts for 37.6 percent of the total population. It accounts for more than 60 percent of the total population in the Least Developed Countries (LDCs). In addition, agriculture constitutes a significant part of the economy in many countries. The share of agriculture in the total GDP of the LDCs accounts for 24.4 percent. In sub-Saharan Africa, more than 60 percent of the total population lives in rural areas and most of this population depends on agriculture for income generation.²

Agriculture in the COMCEC Region

Agriculture is also significant for the economies of the COMCEC Region. Agricultural population represented more than one-third of the total population in the COMCEC countries in 2011³. It even exceeded 70 percent in several COMCEC-LDCs.

Agriculture is an important means of broad-based income generation and it remains one of the most significant sources of income in many member countries. For many OIC-LDCs it accounted for more than 50 percent of total GDP in 2012.⁴ According to the Low-Income Food-Deficit Countries (LIFDC) List, prepared by the Food and Agriculture Organization of the United Nations (FAO), out of the 62 LIFDC in the world, 30 are the COMCEC Member Countries. It is estimated that approximately 25 percent of the population of the COMCEC

¹ COMCEC Agriculture Outlook 2014

² World Bank Database

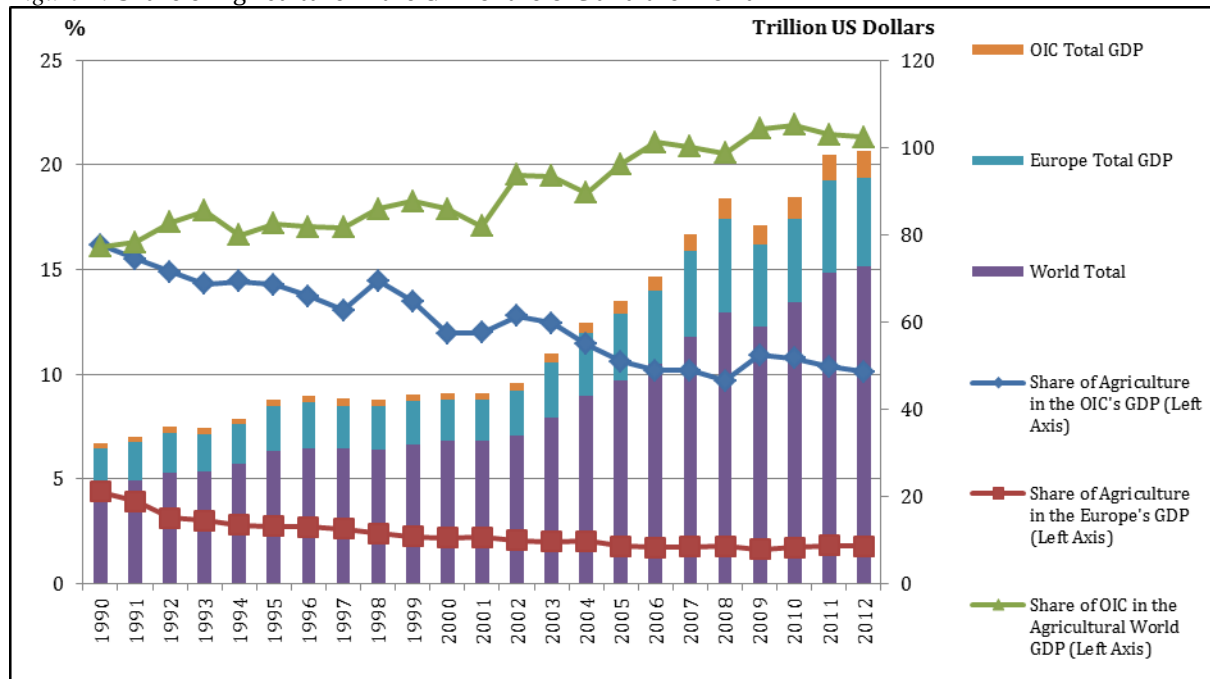
³ Ibid.

⁴ COMCEC Agriculture Outlook 2014

Region is living below the income poverty threshold of USD 1.25 a day and almost half of the COMCEC Population lives below the poverty threshold of USD 2 a day.⁵ Millions of people living under poverty line in the COMCEC Region depend on agriculture to sustain their life.

The COMCEC Member Countries, on the average, have a relatively lower performance in agriculture as compared to the developed countries.⁶ Although they have 28 percent of the total world agricultural area, according to the UN data, the share of the OIC Member Countries in the world agricultural GDP was 21.3 percent with almost 648 billion agricultural value added in 2012.(See Figure 1)

Figure 1: Share of Agriculture in the GDP of the OIC and the World



Source: COMCEC Agriculture Outlook 2014.

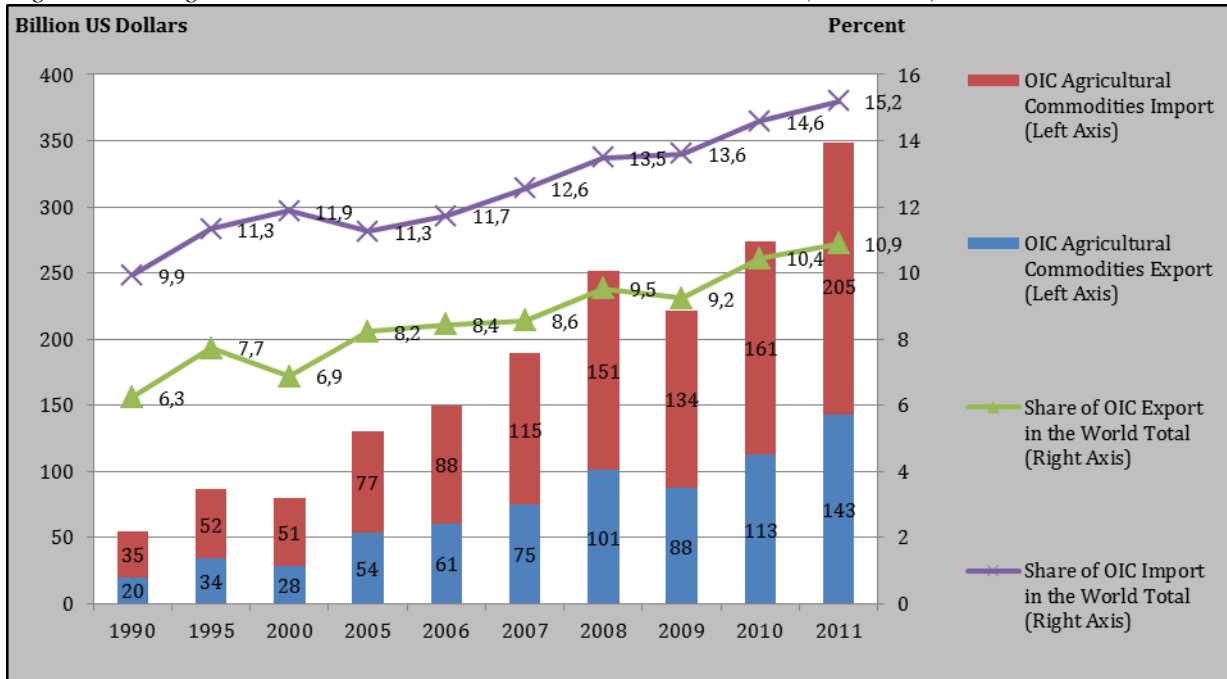
Agriculture sector has a great potential for enhancing intra-OIC agricultural trade. According to the FAO statistics, Saudi Arabia, United Arab Emirates, Egypt, Algeria and Iraq are the main importers of agriculture products in the COMCEC Region. On the other hand, Indonesia, Malaysia, Cote d'Ivoire and Turkey are the countries having surplus in terms of their agricultural trade balance⁷.

⁵ FAO Low-Income Food-Deficit Countries (LIFDC) – List of 2014

⁶ SESRIC, 2009.

⁷ FAOSTAT

Figure 2: OIC Agricultural Commodities Trade and Share in World Total (1990-2011)



Source: COMCEC Agriculture Outlook 2014.

Agricultural commodity trade of the 57 OIC Member Countries increased considerably from 1990 to 2011. Total agricultural commodity import of the OIC Region reached to 205 billion US Dollars in 2011 from 35 billion US Dollars in 1990. Correspondingly, total agricultural commodity export of the Region rose by 603 percent and reached 143 billion US Dollars in 2011. Accordingly, total agricultural trade in the OIC Region grew by almost 530 percent from 1990 to 2011 and reached 348 billion US Dollars (See Figure 2).

In addition to the growth of OIC's agricultural commodity trade, its share in the global agricultural commodity trade has also increased between 1990 and 2011, despite the decline experienced in some years. As seen from Figure 2, the share of agricultural commodity import of the OIC Region reached 15.2 percent in 2011 from 9.9 percent in 1990. Similarly, the share of the agricultural commodity export of the Region increased from 6.3 percent to 10.9 percent in the same period.

Main Challenges of the Agriculture Sector in the COMCEC Region

The majority of the COMCEC Member Countries are not self-sufficient in terms of food production and considerably depend on the import of agricultural products. Besides, agricultural production in the COMCEC Region is mainly concentrated in several Member Countries, namely Indonesia, Turkey, Bangladesh, Nigeria, Pakistan, Iran, Egypt, Kazakhstan, Uzbekistan and Morocco. More than 75 percent of the total agricultural products in the COMCEC Region are produced by these countries⁸. In addition, millions of people in the COMCEC Region suffer from food shortages and they do not have access to sufficient food.

⁸ FAOSTAT

The agriculture sector in the COMCEC Region has mainly been suffering from, among others⁹:

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

Efforts under the COMCEC

Agriculture is one of the cooperation areas of the COMCEC. It has been prioritized by the COMCEC Economic Summit held in November 2009 in İstanbul. The COMCEC Strategy, adopted by the 4th Extraordinary Islamic Summit held on 14-15 August 2012 in Makkah, also determined agriculture as one of the six cooperation areas of the COMCEC.

The COMCEC Strategy defined “Increasing the productivity of agriculture sector and sustaining food security in the COMCEC Region” as its strategic objective. With respect to its implementation, the COMCEC Agriculture Working Group was established to achieve the objectives of the COMCEC Strategy. The COMCEC Agriculture Working Group provides a regular platform for the member country experts to discuss their common issues, concerns and problems as well as to share experiences and good practices. Moreover, it serves in developing a common understanding and approximating policies among the member countries in this crucial sector.

The COMCEC Agriculture Working Group has convened three times till now. The dates and themes of these meetings are given below:

- 1st Meeting of the COMCEC Agriculture Working Group was held on June 6th, 2013 with the theme of “Increasing Agricultural Productivity in the COMCEC Region: Improving Irrigation Capacity.”
- 2nd Meeting of the COMCEC Agriculture Working Group was held on December 19th, 2013 with the theme of “Encouraging Foreign Direct Investments (FDIs) in the COMCEC Region for Increasing Agricultural Productivity.”
- 3rd Meeting of the COMCEC Agriculture Working Group was held on April 3rd, 2014 with the theme of “Improving the Statistical Capacity of the Agriculture Sector in the COMCEC Region.”

The research reports specifically prepared for these meetings, the COMCEC Agriculture Outlook prepared by the COMCEC Coordination Office, the Proceedings of the Meetings and the presentations made during the Meetings are available on the COMCEC website (www.comcec.org).

⁹ The COMCEC Strategy

Furthermore, the Members of the Agriculture Working Group have the chance to propose multilateral cooperation projects within the framework of the new COMCEC Project Cycle Management, which is another important instrument for the operationalization of the Strategy. The projects to be financed under the COMCEC PCM need to serve multilateral cooperation and be designed in accordance with the objectives and the expected outcomes defined by the Strategy in its Agriculture section. In this connection, three projects, which were prepared and submitted by the Member Countries under the first Project Call made in September 2013 were final listed and have become operational.

The other activities in the field of agriculture under the auspices of the COMCEC can be summarized as follows:

In line with the decision of the 28th Session of COMCEC, the Workshop on “Enhancing the Capacity of the Member States in Wheat Production” was held on 15-16 January 2013 in İzmir, Turkey, by the Ministry of Food, Agriculture and Livestock of the Republic of Turkey and the COMCEC Coordination Office.

The workshop emphasized the importance of¹⁰:

- Enhancing institutional and human capacity in the member states for increasing wheat production in the COMCEC Region.
- Improving cooperation and communication among the agricultural research centers of the member countries
- Conducting joint research programs and projects in wheat production
- Improving data collection, compilation and processing capacity of the member states
- Encouraging investments and developing joint investment programs and projects
- Introducing new varieties in wheat production for increasing productivity

Till now, 6 Ministerial Meetings on Agriculture have been held. The 6th Ministerial Meeting on Agriculture was held on 3-5 October 2011 in İstanbul, Turkey, with the theme of “Food Security: Agricultural Development and Access to Food and Nutrition in OIC Countries”. The Meeting highlighted the importance of exchanging knowledge and experience and developing technical cooperation, capacity building and training programs among the member countries. The 7th Ministerial Meeting which was scheduled to be held in Senegal, in 2013 has been postponed.

Lastly, since the COMCEC Economic Summit held in 2009, several other activities (Such as the High Level Officials/Experts Meeting in İzmir, 2010 and the Workshop on Agriculture and Rural Development in Antalya, 2010) have been held in this field.

¹⁰ Report of the Workshop on “Enhancing the Capacity of COMCEC Member States in Wheat Production”