

BRIEF ON AGRICULTURAL COOPERATION

Agriculture is of particular importance for human life and provides fundamental needs for human survival. Agricultural is also an important sector for economic and social development due to its contribution to Gross Domestic Product (GDP) and employment. It is the only source of income for the majority of the rural poor in many countries, particularly in Sub-Saharan Africa.

According to FAO estimations, almost 800 million people are undernourished worldwide in the period of 2014-2016, particularly in Sub-Saharan Africa and Asia. In developing countries, even if agricultural production doubles by 2050, 5 percent of the people will be under the risk of being undernourished. That is approximately 370 million people will be in hunger in the World, particularly in Africa and Asia. In this respect, agriculture will continue to have an important role in addressing rural poverty.

Agriculture in the OIC Member Countries

Agriculture is also a significant sector for the economies of the OIC where 21 member countries are in the category of least developed countries according to UN classification.

In most of the OIC Member Countries, agriculture is one of the leading sectors in terms of its contribution to income, employment, and trade. In 2013, OIC agricultural Gross Domestic Production (GDP) reached 677 billion US Dollars with a share of 21 percent in the world's agricultural production¹. With regards to the contribution of agriculture sector to the economies of the Member Countries, agricultural GDP's share in total GDP was 10.1 in 2013, whereas this share was only 4.5 in the world. Moreover, in six Member Countries, namely, Guinea-Bissau, Sierra Leone, Togo, Comoros, Somalia and Sudan, the share of agriculture in total GDP was more than 40 per cent and occupies a very crucial place in the economies of these Member Countries.

Furthermore, agriculture sector is also significant in the Member Countries in terms of creating employment. According to FAOSTAT, the number of people employed in the agriculture sector in the OIC Member Countries reached 240 million in 2013, which accounts for 18 percent of world's agricultural employment. Agricultural commodity trade of the 57 OIC Member Countries has increased considerably in the period from 1990 to 2012 and reached 340 billion US Dollars. Thus, agriculture sector has a critical importance for the economies of many OIC Members Countries for increasing income and foreign exchange earnings.

As shown in Table 1, in 2012, the agricultural population in the OIC Member Countries was 568 million which represented 35.1 percent of the total OIC population. As demonstrated in Table 1, among the OIC sub-regions, African Group has the highest share of agricultural population as compared to the Asian and Arab Groups, with a share of 46.4 in 2012. At the individual country

¹ UNSTAT National Aggregates Database

level, agricultural population represented more than 50 percent of the total population in 16 OIC Member Countries in 2012.²

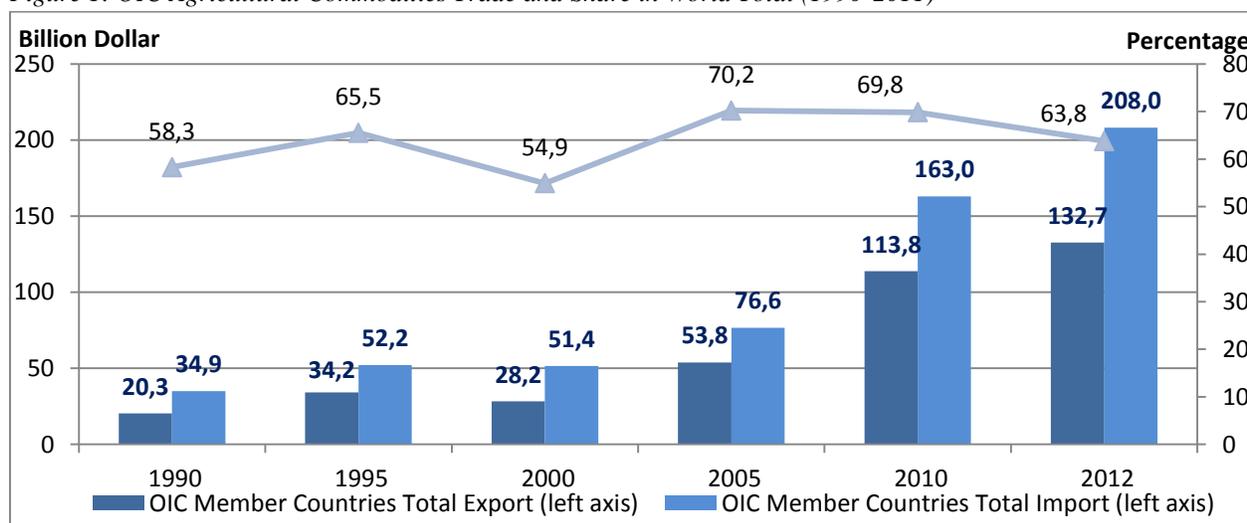
Table 1: Share of Agricultural Population in the OIC by Sub-Regions

	1990	1995	2000	2005	2010	2012
African Group	62.5	58.9	55.1	51.5	47.8	46.4
Arab Group	38.5	34.9	31.6	28.5	25.3	24.8
Asian Group	50.3	45.3	42.0	38.8	35.6	34.4
OIC	50.2	45.9	42.5	39.3	36.1	35.1

Source: Calculated by using SESRIC and FASOTAT Databases.

Agricultural commodity trade of the Member Countries increased considerably from 1990 to 2012. As shown in Figure 1, total agricultural commodity import of the OIC Member Countries increased from 34.9 billion US Dollars in 1990 to 208 billion US Dollars in 2012. Correspondingly, total agricultural commodity export of the Member Countries reached 132.7 billion US Dollars in 2012. Accordingly, total agricultural trade in the Member Countries reached 340.7 billion US Dollars in 2012.

Figure 1: OIC Agricultural Commodities Trade and Share in World Total (1990-2011)



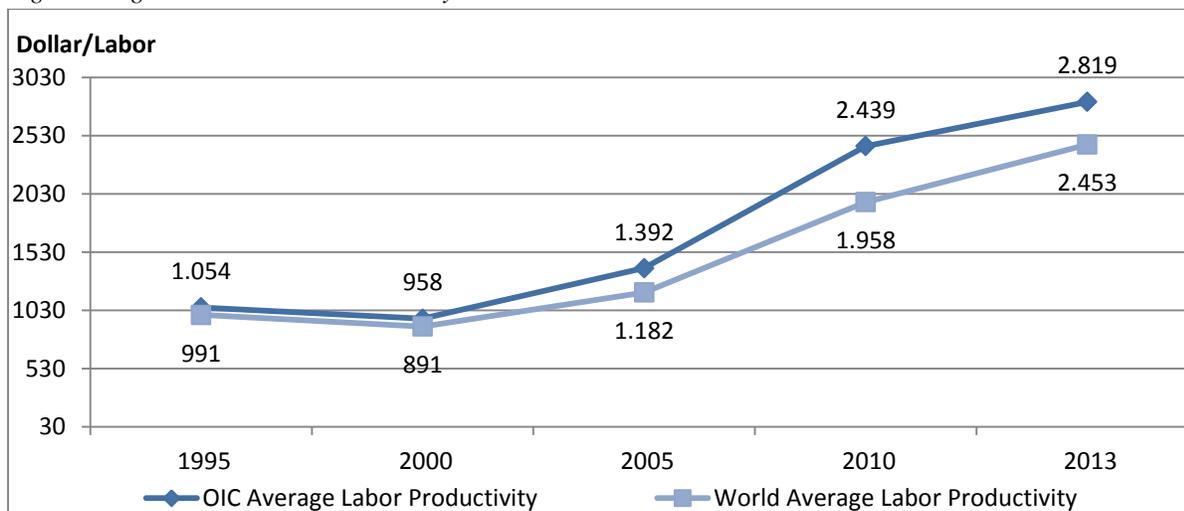
Source: COMCEC Agriculture Outlook 2015.

In terms of agricultural labor productivity, the OIC Member Countries has recorded a remarkable increase in the last decade. Figure 2 shows a comparison of agricultural labor productivity in the OIC Member Countries with the World.³ It is understood from the figure that the labor productivity is higher than the world average in the OIC Member Countries.

² SESRIC Database

³ In order to calculate labor productivity, agricultural value added (at current price-US Dollar) is divided by economically active people in agriculture sector.

Figure 2: Agricultural Labor Productivity in the OIC and World



Source: Calculated by using UNSTAT and FAOSTAT.

Among the OIC sub-regions, Arab Group has the highest labor productivity. On the other hand, African Group Countries have the lowest agricultural labor productivity among the OIC Member Countries. Among the African Group Member Countries, Mozambique, Guinea, Gambia, Somalia and Djibouti have the lowest levels of labor productivity in the OIC. The low level of mechanization and fertilizer use, water scarcity and using labor intensive methods are the main reasons of the low agricultural labor productivity in this sub-region⁴.

Main Challenges of the Agriculture Sector in the OIC Member Countries

The majority of the OIC Member Countries is not self-sufficient in terms of food production and considerably depends on import of agricultural products. Besides, agricultural production in the Member Countries 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 in the Member Countries are produced by these countries. In addition, millions of people in the OIC Member Countries suffer from food shortages and they do not have access to sufficient food.⁵

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

- Low agricultural productivity,
- Lack of institutional framework to provide necessary adjustments for 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)
- Post-harvest losses.

⁴ COMCEC Agriculture Outlook 2015

⁵ Ibid.

Efforts under the COMCEC

Agriculture Working Group (AWG) was established as part of the implementation of the COMCEC Strategy and it provides a regular platform for producing and disseminating knowledge, sharing experiences and good practices, creating a common understanding and approximating policies in this field.

Since the previous COMCEC Session, Fifth Meeting of the Agriculture WG was held on March 5th, 2015 with the theme of “Improving Institutional Capacity: Strengthening Farmer Organizations in the OIC Member Countries.” Similar to other WG Meetings, an analytical report on “Improving Institutional Capacity: Strengthening Farmer Organizations in the OIC Member Countries” was submitted to this Meeting. The analytical study underlined the importance of farmer organizations for the development of agriculture sector especially in terms of providing technical and financial consultancy to their members. Farmer organizations also provide assistance for improving market access, enable their members to reduce market risks and transaction costs and to capture higher share of the value added in the food supply chain.

In line with the recommendations of the analytical study as well as the responses of the Member Countries to the policy questions, which were circulated before the Meeting, the Working Group put forward the policy advices below:

1. Research and extension services of the farmer organizations need to be improved for increasing agricultural productivity.
2. The capacity of farmer organizations to have access to agricultural market information and the dissemination of the market information to their members need to be improved.

Moreover, the 6th Meeting of the COMCEC Agriculture WG was held on October 8th, 2015 with the theme of “*Promoting Agricultural Value Chains in the Member Countries*”. The Representatives of the Member States have shared their experiences, achievements and challenges in promoting agricultural value chains in their respective countries. The Meeting has considered the Studies “Promoting Agricultural Value Chains in the OIC Member Countries” commissioned by the COMCEC Coordination Office and the “COMCEC Agriculture Outlook 2015” prepared by the COMCEC Coordination Office. The Meeting has come up with a set of policy recommendations:

1. Adopting/developing quality standards, implementing quality control and identifying market opportunities for standard compliance.
2. Improving transport and storage facilities for promoting value chain development in the Member Countries through well-developed public-private partnerships.
3. Improving agro-processing and packaging industries to increase the value added of agricultural products.

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

Furthermore, the member countries, having registered to the Agriculture Working Group, have the chance to propose multilateral cooperation projects within the framework of the COMCEC Project Funding, which is another important implementation instrument of the Strategy. The

projects to be financed under the COMCEC Project Funding 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.

The first Project Call under the COMCEC Project Funding was made in September 2013. Within the framework of the first project call, the project titled “Pakistan Bioremediation Model for Wastewater Treatment and Capacity Building Program among OIC Countries” proposed by Pakistan was completed successfully in December 2014.

Moreover, the second Project Call was made in September 2014 and Member Countries of the Agriculture WG submitted 15 projects to the CCO in this regard. Four of these projects were announced as final-listed and have become operational after the Signing Ceremony held on March 30th, 2015. These projects were submitted from Chad, Indonesia, Surinam and Turkey. Project titles and brief information about the projects to be implemented in 2015 are as follows;

- Chad is implementing a project on “Support to the Agricultural Training Centers” with the participation of Burkina Faso and Turkey. The project aims at developing capacities of young rural farmers and experts working in agricultural training centers.
- The project titled “Improving the income of small and medium scale farmers in the OIC Member States through Integrated Farming System” was submitted by Indonesia with three partner countries namely, Sudan, Gambia and Egypt. Purpose of the project is to enhance capacity of the small and medium scale farmers in partner countries through integrated farming system.
- Suriname submitted the project titled “Good Agricultural Practices (GAP) for Greenhouse Vegetable Crops; Principles for Tropical Climate Areas” with Turkey and Guyana. The main purpose of the project is to increase the quality and effectiveness of the public services to support and train farmers by taking tropical climatic conditions into account.
- Turkey is implementing a project titled “The Establishment of Database, Network Connection and Web Pages of Smallholders/family Farmer’s Agricultural Cooperatives between COMCEC Member States” with the participation of 19 Member Countries. The project aims at identification of system requirements for a trade information system to be established among member countries along with a roadmap for the establishment of information infrastructure for improving trade of agricultural products.

Regarding the ongoing cooperation activities in this cooperation area;

- The Workshop on Capacity Building on Value Chain Analysis for Agri-Business” was held on 1-3 December, 2014 in Ankara, Turkey by SESRIC, in collaboration with the ICCIA, FAO and Perez-Guerrero Trust Fund (PGTF) of UNDP.
- 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.
