

# SUCCESS STORY

## Improving Food Security in Africa

**By supporting the use of cash crop systems for commodities, USAID helps improve food security in the Southern Africa region**



*Across the region the potential scale for the use of cash outgrower networks is enormous. SADC figures from 2011 put the total land under production of cotton, sugar and tobacco at almost 2.5 million hectares, with the share of smallholder participation in these value chains varying across countries. In Zambia, for example, an estimated 20% of sugarcane is produced by smallholders, while in Malawi the estimate is less than 5%. Regardless, it is clear that the utilization of even a relatively small percentage of this hectarage would generate significant food crop returns and function as an important piece of the food security solution for Southern Africa.*

[www.satradehub.org](http://www.satradehub.org)

Across Southern Africa, private sector companies invest heavily in cash crops like sugar, cotton and tobacco: creating “outgrower networks” of small farmers who receive financing, agronomic extension services and marketing services to grow the desired crops. However, important food crops such as corn and soy are financed almost solely by resource-stretched governments and small farmers themselves, contributing to extremely low levels of technology adoption and productivity.

Through a Strategic Partnership Grant, USAID’s Southern Africa Trade Hub is supporting the expansion of private sector investment into commodity crops to improve food security in the region. The pilot program involves South African company NWK, which is introducing soybeans into its existing cotton outgrower network in Zambia as a secondary commercial crop—providing farmers with finance, quality inputs, extension services and improved agricultural technology to grow soy.

The initial 920 farmers were chosen from a database of 112,000 smallholders based on their history of good farming practices, productivity and loan repayment. “The focus was on those farmers with a real passion for agriculture,” says Andries Radley, Manager of Business Development at NWK. There is significant opportunity for scaling up as farmers realize the benefits of the system. Importantly, linking small holders with world-class companies like NWK allows them to benefit from cutting edge technology. For example, NWK is using SMS technology for farmer communication and developing a GIS-based soil map supported by hundreds of soil samples to give farmers precise soil amendment recommendations.

To promote gender integration, NWK will ensure that 20% of the participating farmers are women, giving them direct access and control of sales and income. Selected women will also be involved in leading trainings and have the opportunity to run demonstration plots and host field days. In terms of environmental impact, the introduction of soybeans into the cotton rotation will sustainably improve soil fertility and reduce the need for chemical fertilizers.

As global demand for food increases, private sector investment in food production in the region is becoming more commercially interesting. The Trade Hub believes that this model of expanding and leveraging cash crop outgrower networks offers significant potential to integrate small farmers into commercial agriculture in a cost-effective way. “In Zambia this type of work has been done before but in an uncoordinated manner,” explains Radley. “NWK is assisting emerging farmers in South Africa, but this is a first for NWK in diversifying into the larger market.”