

*Mandla Nkomo, an agribusiness expert and the chief executive officer of Partners in Food Solutions*

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# From rot to retail: why incentives and value addition can curb food loss

## Busani Bafana

**C**hanging how food gets from the farm to the plate is strategic. It means everyone has access to more, healthy food and ensures none goes to waste and harms the environment.

Africa's food loss is often linked to poor infrastructure but often the problem lies with low investment in value addition of agriculture produce.

In many countries in Africa, a tomato farmer, for example, will have one option once they have a ready crop; sell it fresh. But when the market is flooded, the crop is sold at a give-away price or it rots. In contrast, a farmer in Europe has many options - if the fresh market is flooded, the tomatoes are processed into puree, dried, or canned.

Mandla Nkomo, an agribusiness expert and the chief executive officer of Partners in Food Solutions (PFS), says that Africa needs to invest in

value addition not just at factory-level manufacturing but through financial incentives that enable smallholder farmers to move from recovering costs from their production to having a high-return investment.

PFS is a non-profit organisation transforming the African agri-food industry by connecting African businesses with multinational food companies to help make food systems safer and more productive. The organisation has engaged more than





2,300 expert volunteers from large food multinational organisations to support over 2,400 local food businesses across 11 African nations. Over 1.8 million smallholder farmers in the supply chain have been supported, and PFS projects have helped to produce more than 111 billion safer, more nutritious and affordable food servings.

**In what specific ways does reducing food loss act as a lever for food system transformation in Africa?**

The African food system, like all similar systems in the world, is grossly interconnected. Whenever there is post-harvest loss, that creates an inefficiency in the system, that gets accounted for through lower prices to farmers, and higher prices to consumers. So, reducing food loss works to the benefit of the entire food system by stimulating primary production, and ensuring fair compensation to farmers, while at the same time, ensuring there are affordable prices for consumers, which sustains demand.

Whenever a kilo of food is produced, behind it are inputs, labour and other associated costs. So, when that food does not convert into cash or income, that creates unsustainable conditions for farms as they cannot get a return on their investment or even basic cost recovery. This discourages farmers from making additional investments due to the high risk associated with production.

**What are the top three most underfunded or overlooked interventions to reduce food loss in Africa's perishable value chains, and how would each directly affect food security?**

I wouldn't say the issue is underfunding or overlooking; it's more about how individual value chains are organised. Most African

perishable value chains suffer from the weakness of being organised along single channels - for example, most countries doing tomatoes only have the fresh market option available. However, where there is channel diversification (including drying, puree, and whole canning), as evidenced in Spain, where the tomato industry has been a viable enterprise for farmers. Where there is thoughtful organisation around optimising competitive advantages, and building multichannel platforms for farmers, industries thrive. Kenya is experiencing similar conditions for its avocado sector, where they sell avocados fresh, oil, and as guacamole.

**One solution to stemming food loss is value addition. At what scale is value addition most cost-effective for reducing food loss and waste in Africa?**

Value addition is not limited to scale - it can be practised at cottage industry level, as well as large scale industrial. What is more important is the fundamentals, process efficiency, food safety and quality, packaging and branding, distribution and marketing, and consumer satisfaction in a scale-appropriate manner.

**Women handle much of Africa's post-harvest work yet lack access to technology and finance. What specific barriers, if removed, would most reduce food loss and how can youth be engaged beyond primary production to drive food loss and waste solutions?**

We simply don't have enough programmes that combine access to finance, technology and markets with a specific focus on women and youth. It's often an afterthought, yet it is an irrevocable fact that women and youth face a different set of challenges when navigating the marketplace. I have been exposed to a few programmes run by universities, technology centres

of excellence and impact investors that exclusively package solutions for women in food processing. Where applied consistently and with a long-term view in mind there is always demonstrable success.

**How can food policies help boost value addition for reducing food loss and waste and which are adaptable to Africa?**

Policies operate in the realm of creating an enabling environment, often by a combination of carrot and stick (incentives and disincentives). So, indeed we can have food policies that will have the ability to stimulate the right kinds of investments and practices in the value addition sector. However, policies alone, without the appropriate instruments such as financial incentives, little impact can be achieved.

**What is the single-highest-return investment for reducing food loss in Africa's smallholder systems and what type of investment is most overlooked?**

We need to invest in aggregation centres close to areas of production, and connect these to clusters of production. An example is Kenya, where sustained investment in milk collection centres has created an anchor for an industry that now facilitates the participation of over one million small-scale dairy producers who are connected to local and national processors. We also see this in Malawi, Mozambique and Zambia in the soybean sector, especially in the so-called ChiNyanja triangle. Cooperatives that provide aggregation of inputs and at harvest time of produce, have ensured that region has become one of the most important soybean production areas in Southern Africa.