



HOW DO WE ENSURE A FUTURE FOR MEDIUM SIZED FARMING BUSINESS?

THE MISSING MIDDLE IN AGRICULTURE

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AGRIBUSINESS AFRICA CONFERENCE



WHAT IS MEDIUM?

- WHAT IS SMALL?

- FAO 2012 PAPER ON FAMILY FARMING: 2014 YEAR OF FAMILY FARMING
- IFAD, CFS MEANT SMALL HOLDER FARMERS, SHF MEANT SUBSISTENCE
- DEBATE ABOUT MEASUREMENT; EXTENT, TURNOVER, PROFIT OR NUMBER OF PEOPLE INVOLVED

WHAT IS LARGE SCALE?

THE MEGA-FARMER

DOMINATING ROLE IN A VALUE CHAIN

VERTICALLY INTEGRATED

THE MIDDLE IS IN BETWEEN

THE COST PLIERS, AND THE ADVANTAGE OF SCALE: BIG FARMERS GROW BIGGER AND SMALL ONES DROP OUT.



WHY THE MIDDLE IS IMPORTANT

- JOBS:
 - SHF WORK THEMSELVES
 - A MEGA FARMER TAKING OVER 20 MEDIUM FARMS EMPLOYS LESS THAN 20 MEDIUM FARMS

DIVERSITY, CHOICE, AVOIDING MONOPOLIES

ENHANCING COMPETITIVENESS

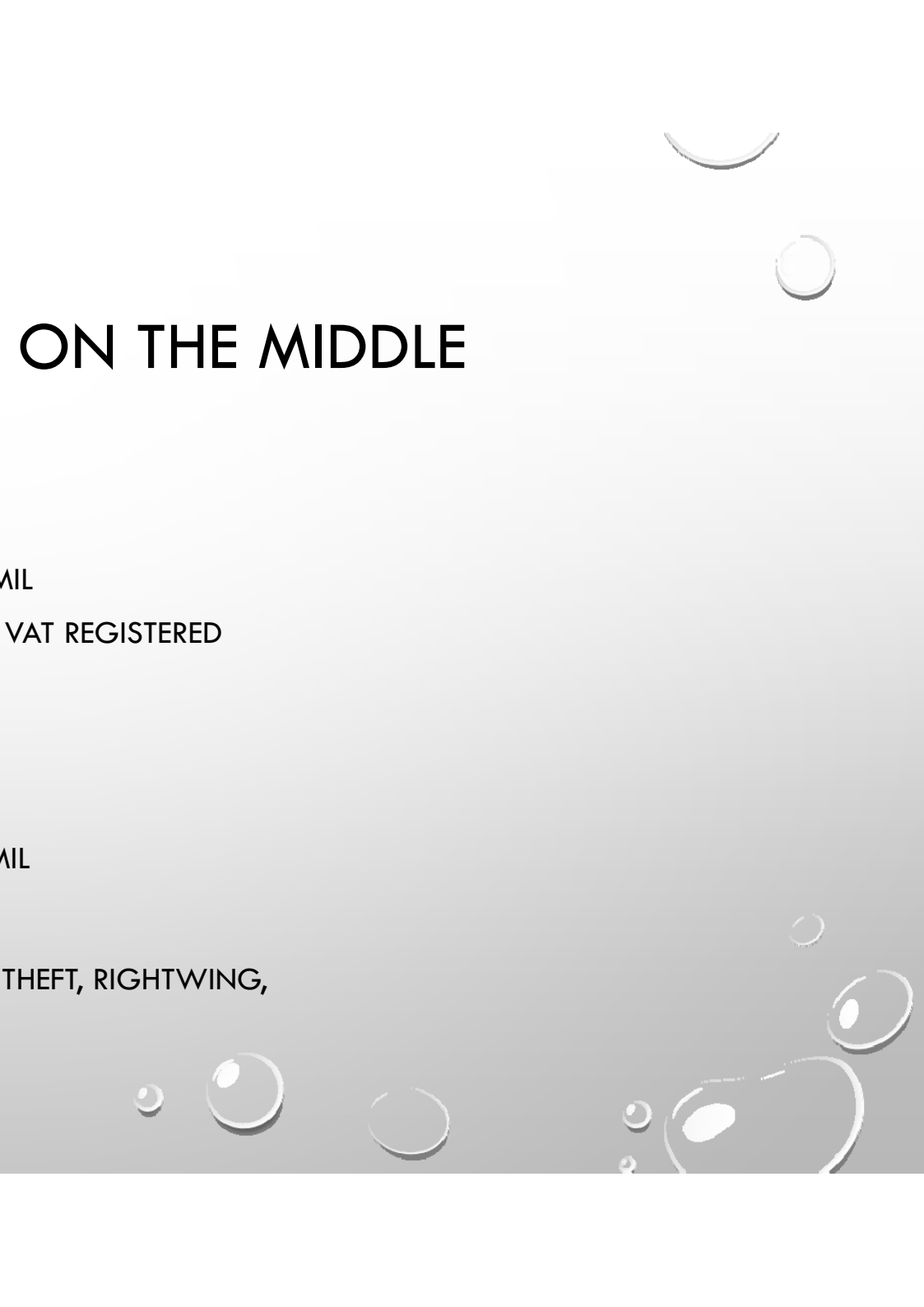
STABILITY OF THE SECTOR, MITIGATING RISK

MOBILITY: ITS ONE WAY TRAFFIC WITHOUT LEAPFROGGING OPPORTUNITIES





THE PRESSURE IS ON THE MIDDLE

- BEE CHARTER
 - SMALL < R10MIL MEDIUM < R50MIL LARGE > 50MIL
 - 50% OF SMALL COMMERCIAL FARMERS ARE NOT VAT REGISTERED
 - NATIONAL PLANNING COMMISSION
 - LARGE ANCHORS FOOD SECURITY; 105 + 5000
 - MIDDLE CAN BE SACRIFICED; 30 000
 - SHF OR NON PROFITABLE BETWEEN 2MIL AND 5MIL
 - ARM CHAIR REVOLUTIONARIES IN UNIVERSITIES
 - MIDDLE IS THE DOMAIN OF EXPLOITATION, LAND THEFT, RIGHTWING,
 - SHF CAN REPLACE THE MIDDLE
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NATURE OF MEDIUM SIZED FARMERS

- FAMILY FARMS
 - KEEP RURAL TOWNS GOING; SCHOOLS, BUSINESS, CHURCHES, CIVIL SOCIETY
 - COME INTO BEING OVER DECADES; ITALY, DENMARK, GERMANY, JAPAN
 - CAN DISAPPEAR OVERNIGHT; ZIMBABWE, CHINA, MOZAMBIQUE, MEXICO (LAND REFORM)
 - SUPPLY THE LARGEST PORTION OF A 3 TIER MARKET
 - PROGRESS AND INNOVATION DRIVEN BY COMPETITION
 - MULTI GENERATION PROJECTS
 - CONSERVATIVE
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MEETING THE CHALLENGE

- WEALTH CREATION TO FIGHT POVERTY
 - UPWARD MOBILIZATION OF SMALL HOLDER FARMERS
 - PARTNERSHIP MODEL
 - LARGE FARMERS HAVE THE CAPACITY TO PILOT, MEDIUM MUST SCALE IT UP
 - FARMERS LEARN MORE FROM OTHER FARMERS THAN FROM ANYONE ELSE

 - MEDIUM SCALE FARMERS HAS NOT A ROLE, BUT A CALLING
 - TO BE THE GLUE IN RURAL SOCIETY
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