

“Food Security 2050: e- Commerce, Agri-food Value Chain Transformation”

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The International Food and Agribusiness Management Association (IFAMA) World Conference was held in Hangzhou, China from 22 – 26 June 2019, with the theme “e-Commerce, Agri-food Value Chain Transformation”. Private sector and academic representatives from across the world gathered to participate in either the scientific symposium, or the student case study competition, or the panel discussions, which brought together agribusiness leaders to discuss the major issues and challenges agribusiness faces on a global scale.

With one of the most current e-Commerce platforms, Alibaba, originating in China, it set the perfect scene for the theme to be discussed in the light of current situations and success stories. Attendees of the conference was treated to a visit to Alibaba’s headquarter visitor centre and Hema. The modern and infrastructure of Alibaba is only second to the electronic integration of their platform. The Hema flagship “supermarket” visited allows for costumers to order groceries on the application and have it delivered within 30 min. Furthermore, specific fresh items in the store can be prepared in store for immediate consumption.

Academic symposium

During parallel sessions post-graduate students and academics from universities from across the world reported on current agribusiness research. All topics across the field of agriculture and business were covered.

Student Case Study Competition

Twenty one teams from universities all over the world entered the student case study competition in three categories: (i) Undergraduate, (ii) Intermediate Graduate, (iii) Advanced Graduate and (iv) Young Professionals. Teams were given a case with relevant information and asked to present a business solution within four hours in front of an experienced panel of judges. Two finalists of every category was chosen to present in front of the full conference the following day.

South Africa was represented by IFAMA Africa team and consisted of the following members: Dipou Boshomane (University of Pretoria); Khanimamba Hlungwani (University

of Pretoria); Anneke Janse van Vuuren (North West University); Casper Nell (Stellenbosch University); Theunis Oberholster (Stellenbosch University).

Agribusiness Forum and key issues

I. The Changing Agribusiness Landscape: land use tenure, governance and land use policies in China; and a comparison with experiences from Latin America, India and Southern Africa.

Four panellists, Prof Zhong Tang from Renmin University of China, Dr. John Purchase from AgBiz on Southern Africa, Dr. Raj Vardan from the IFAMA Board on India and Dr. Hector Laurence from IFAMA on Argentina and Peru, participated in the panel discussion and indicated the following:

All the countries represented in the discussion took part in some form of change in the agricultural landscape. Most of this took place in the form of land tenure. However, all these countries have different geopolitical histories and took part in the process for different reasons. In the case of China, focus was placed on self-sufficiency of the country, which meant that household responsibility was necessary to ensure sustainable small scale food production. The case of South Africa was correcting historical exclusion of the past in the form of Restitution, Redistribution and Tenure Reform. The case of India pre-independence and post-independence was to ensure fair land holding where owners were limited in the maximum area of ownership. The case of Argentina, ownership was diversified to ensure more people owned land.

Although these cases differ in many ways, similar problems arise. Having more producers, with less land each, creates inefficiencies. Solving these inefficiencies relies on the producers to pool together in some form of club or cooperative. With urbanisation in most developing countries, being able to produce surplus is important for food security of urban dwellers. In conclusion the panel discussed that good governance is essential to the success of a land tenure program to be sustainable. Furthermore, e-commerce platforms could hold the key to solve some of the inefficiencies of smaller farmers.

II. Evolving Agribusiness policy in China-emphasis on e-commerce.

Three panellists, Prof Jikun Huang from Peiking University, Mr. Jim W Huang, CEO of Digital Future and Prof Longbao Wei from Zhejiang University, participated in the panel discussion and indicated the following:

Servicing rural communities with a less dense population has always been a policy concern. This often leads to poor infrastructure, poor Information Communication Technology (ICT) and poor education. With the inclusion of e-commerce platforms, the livelihoods of these rural communities can be significantly impacted. Creating a market platform that allows transparency for both buyers and sellers of products ensure information sharing across the value chain. When this information is readily available to all relevant parties, the volatility of the market can be minimized. This in turn creates a market platform for farmers with spill-over effects into the community. For this to take place, adoption of the technology is however crucial and not always present due to lack of skills or poor trust in the system.

The panel concluded that with the availability of an e-commerce platform, rural production and availability to finance can allow small scale farmers to improve the livelihoods of themselves and the communities around them. The unanswered question left by the panel is: How will the future of the retail environment look like?

III The Changing Agribusiness landscape: The importance of good Agricultural practices in the e-commerce environment.

Three panellists, Mr. Jinhong Wu of China Ants Alliance, Mr. Weiwei Wang of IQC and Dr. Yong Gao Vice president of public affairs, Bayer China, participated in the panel discussion and indicated the following:

Good agricultural practices are essential to support e-commerce platforms. With e-commerce platforms, digital record keeping is inclusive. These platforms create full transparency to all relevant parties, especially the consumers. It creates a flow of information available to all stakeholders in the process. The positive nature of this information flow can however only be beneficial when the involved parties adhere to good agricultural practices. Without good practices, negative information can just as easily be spread. Gaining and maintaining the trust of all parties in the e-commerce platform will ensure the sustainability of the system as a whole.

IV. The Changing Agribusiness landscape: a role for cooperatives in an e-commerce environment.

Three panellists, Prof Xiaoshan Zhang from the Chinese Academy of Social Science, Prof Marcos Fava Neves from Brazil and Prof Nicola Shadbolt from New Zealand, participated in the panel discussion and indicated the following:

There are many different models of cooperatives that operate in different parts of the world, however they have one thing in common: Mutualism. They strive to collectively

improve the tangible or non-tangible resources at their disposal to improve the situation of everyone as a whole. There were four areas highlighted for such a cooperative to add value to the members: Digital and Data technologies; Innovation and differentiation; Circular chains and Integration; Sharing business and Collective actions. For these cooperatives to succeed in their defined goals, there needs to be leadership to ensure the cooperation of members, there needs to be trust in the system and finally the cooperation is responsible to add value to the members.

V. African Agribusiness: Prospects of e-commerce and trade in African Agribusiness.

Prof Johan van Rooyen headed the panel of four including : Prof Andre Louw from University of Pretoria, Dr. Mandla Nkomo, Managing Director , Solidaridad Southern Africa, Dr. Danie Jordaan form the University of Pretoria and Dr. Melissa vd Merwe from the University of Pretoria.

The panellists all highlighted success stories of e-commerce taking part in Africa. Two examples given was that of cotton production, where the digital platform allowed for improved information in the value chain and resulting in the increased production in South Africa. Another example was given for Southern Africa where farmers had the ability to apply for finance over a digital platform. With financing being one of the most complicated barriers for small scale farmers, this platform proves to be extremely useful. The panel discussed that for Africa to be ready to move to digital platforms of commerce, infrastructure into ICT is essential and trust in the system needs to be established. They concluded that Africa is ready for e-commerce to take place with success stories already being present in some markets.