

# Enterprise development, income generation and export development of root & tuber crops in African, Caribbean and Pacific Countries

## Executive summary

The development of the root and tuber crops enterprises in ACP countries is emerging as a key component of a strong regional and diversified economy that is able to generate employment, contribute to food security, promote sustainable export trade and sustain incomes. Policy recommendations include: creating an enabling environment for attracting investment and stimulate growth in African, Caribbean and Pacific (ACP) countries through public-private sector partnerships; improving access to finance that encourages private sector operators to respond to new market opportunities; facilitating access to market information and price signals; and encouraging improved linkages between the actors in the value chain to stimulate supply.

## Context

African, Caribbean and Pacific nations share a common vision on the millennium development goals regarding eradication of extreme poverty and hunger, promoting gender equality and developing global partnership for development. Tropical root and tuber crops (cassava, sweet potato, yam, aroids and potatoes) are major staples in large parts of these countries and are considered a priority commodity in addressing the above vision.

Development of enterprises for the utilization of tropical root crops are not only feasible but practical and are already established but at a low level. The development of the root and tuber crops enterprises in ACP countries is emerging as a key component of a strong regional and diversified economy that is able to generate employment, contribute to food security, promote sustainable export trades and sustain incomes. The export of tropical root crops (yam, potatoes, sweet potatoes and taro) has occurred but the volume and value are relatively low relative to the total production in those countries.

Various highlighted constraints of root and tuber crops include:

- Low yield at the farm level due to weak technology transfer and adoption
- Traditional processing techniques are still rudimentary and are not oriented to export markets.
- The equipment is often basic and with no process controls
- Marketing (domestic and export) are not adequately developed for many products
- The return on investment is low for most root and tuber crop products

Solving these constraints require improved technology transfer, adoption, enterprise development and market information systems. However, there is a huge potential for further enterprise development in ACP countries for root and tuber crops (Sanogo and Adetunji, 2008; Sanni, 2009; Chandra, 2010).

ACP countries are now focusing on developing products for domestic and export markets. Research has shown that nationals in countries earn more money through local substitution when there were high tariffs on imports of food products. Other data showed increased regional enterprise development when there is free regional movement of food products. Currently, ACP countries lack reliable and sustainable policies and these can have an impact on implementation and trade liberalization.

Changes in government policies can contribute to a lack of sustainability and these have been a bane in sustainable agro-based industrialization in ACP countries. Sustainable policy on RTC diversification in ACP requires political will, constant stakeholder dialogue and collaboration with development and enterprise partners.

This has been exemplified in Brazil and Colombia and has led to successful industrialization. These countries have become leading world producers, processors and marketers of cassava products (UNIDO, 2006).

## Policy Recommendations

1. Creation of public-private sector partnerships is critical to attract investment and stimulate growth in ACP countries.
2. Improving access to finance that encourages private sector operators to respond to new market opportunities.
3. Facilitating access to market information and price signals
4. Encouraging improved linkages between the actors in the value chain to stimulate supply.

## References

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