

Agricultural Development and Food Security in OIC Member Countries: Opportunities for Cooperation



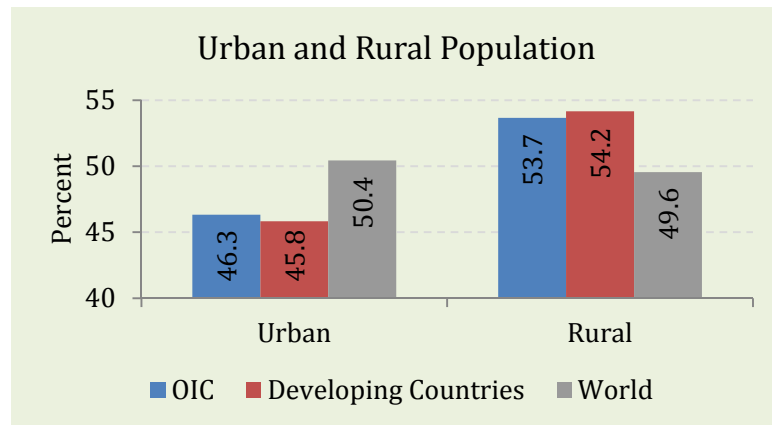


Outline

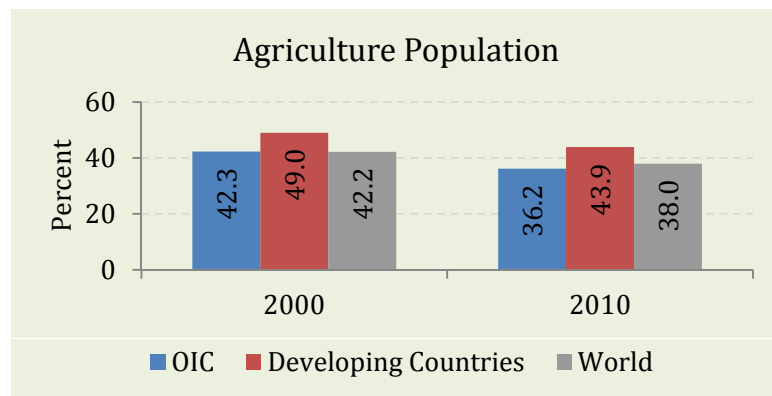
- Agriculture Resources (Population, Land and Water)
- Agriculture Productivity (Land and Labor)
- Food Production and Trade (Undernourishment)
- Major Challenges and Constraints
- Promoting Intra-OIC Investment in Agriculture Sector
- Policy Recommendations and Project Proposals



Rural and Agricultural Population



53.7% of the total population in OIC countries are living in rural areas, compared to **54.2%** in the developing countries and **49.6%** at global level.



In 2010, **36.2%** of the total population in OIC countries engaged in agriculture, compared to **43.9%** in developing countries and **38.0%** at global level. This figure decreased from a level of **42.3%** in 2000.

At the individual country level, **more than 50%** of the total population in **18** OIC countries are still engaged in agriculture activities



Land Use in Agriculture, 2009

	Agricultural Area		Cultivated Area				Permanent Pasture	
			Arable Land		Permanent Crops			
	Million Hectares	% of Land Area	Million Hectares	% of Agr. Area	Million Hectares	% of Agr. Area	Million Hectares	% of Agr. Area
OIC Countries	1415	44.5	292	20.7	53.7	3.8	1069	75.7
Developing Countries	3842	38.6	1042	27.1	130	3.4	2670	69.6
World	4889	37.6	1381	28.3	152	3.1	3356	68.7

- **44.5%** of total land area in OIC countries is **agricultural land** compared to 38.6% in developing countries and 37.6% at world level
- Yet, **20.7%** of agricultural land in OIC countries is arable land compared to 27.1% in developing countries and 28.3% at world level
- This is due to the fact that **75.7%** of agricultural land in OIC countries is **permanent pasture**
- **3.8%** of agricultural land in OIC countries is **permanent crops** compared to 3.4% in developing countries and 3.1% at world level



Water Resources, 2008

	Average Precipitation in Depth (mm/yr)	IRWR (km ³ /yr)	ERWR (km ³ /yr)	TRWR (km ³ /yr)	TRWR per Capita (m ³ /yr)	Dependency Ratio (%)
OIC Countries	47,209	5,308	2,354	7,672	4,759	30.8
World	209,159	42,517	11,854	54,372	7,974	21.8
OIC as % of:						
World	22.6	12.5	19.9	14.1		

- Average precipitation in depth in OIC countries is only **22.6%** of the world average
- OIC countries account for only **14.1%** of the world **TRWR**
- **Dependency** on ERWR is **30.8%** in OIC region compared to 21.8% in the world
- **23** OIC Countries suffering **water stress**, (TRWR/capita ≤ 1700 m³/year)
- **18** of them suffering **water scarcity** (TRWR/capita ≤ 1000m³/year)
- **13** of them suffering **absolute water scarcity** (TRWR/capita ≤ 500m³/year)



Water Use in Agriculture, 2008

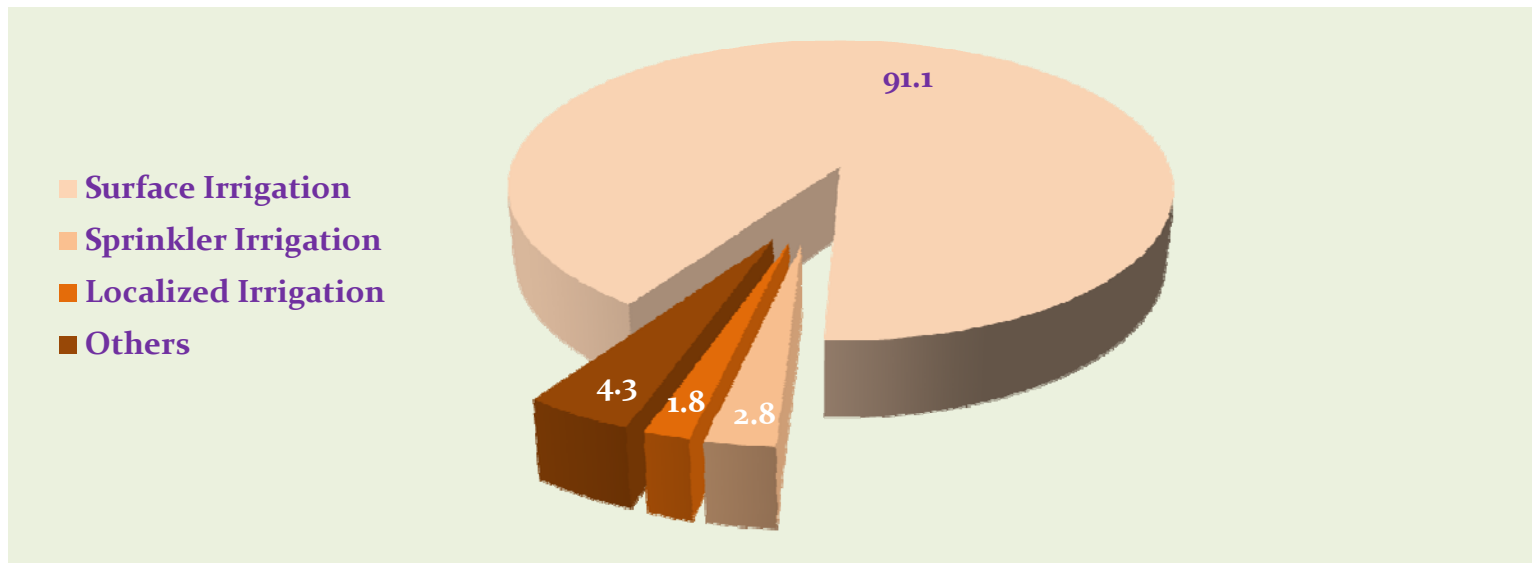
	Total Water Withdrawal			Agricultural Water Withdrawal		
	km ³ /yr	% of IRWR	% of TRWR	km ³ /yr	% of Total Withdrawal	% of TRWR
OIC Countries	943	17.8	12.3	820	86.9	10.7
World	3,906	9.2	7.2	2,743	70.2	5.1
OIC as % of:						
World	24.1			29.9		

- Water withdrawal reached almost **18%** of IRWR in OIC countries compared to **9%** in the world. (If $\geq 25\%$ » pressure on water resources)
- Mainly due to over exploitation, **28** OIC countries are suffering **pressure on their water resources**
- About **87%** of the total water withdrawal in OIC countries goes to agriculture compared to 70% in the world
- Agricultural water withdrawal accounts for **10.7%** of TRWR compared to 5% in the world



Irrigation Techniques in OIC, 2008

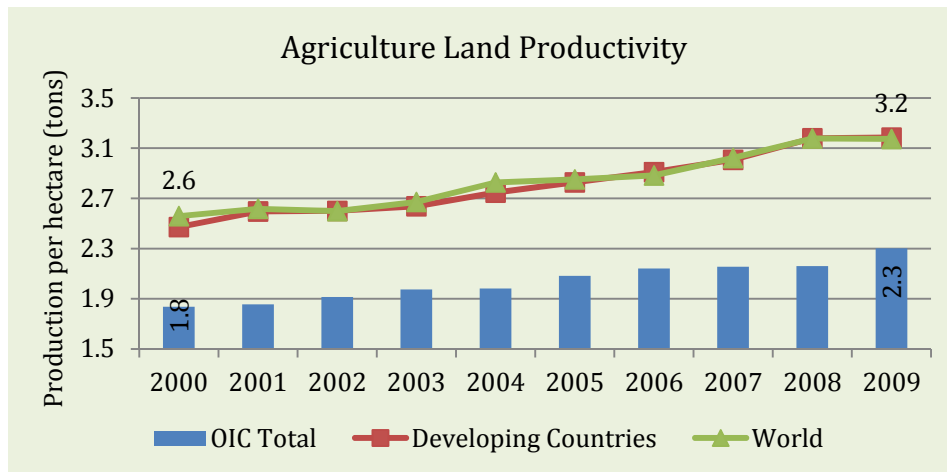
- Although **27%** of total arable land is **equipped with irrigation** in OIC region, this ratio was lower than **5%** in 22 OIC countries



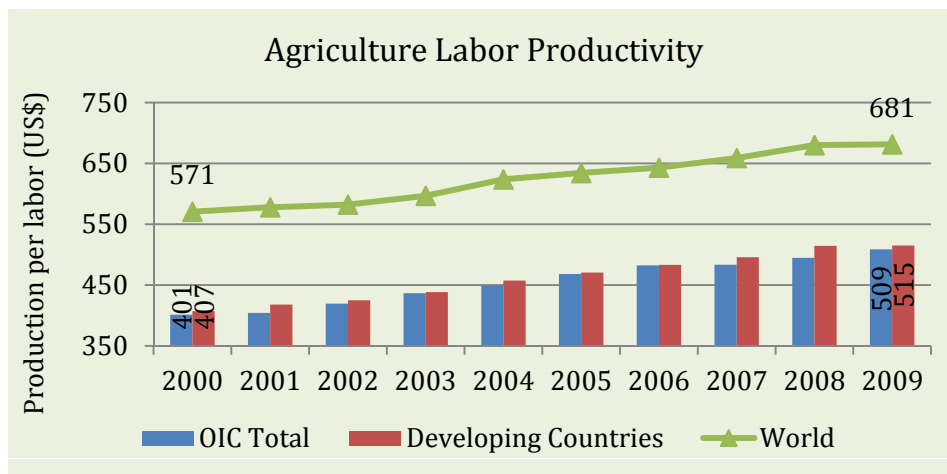
- **91%** of irrigation is done with **surface irrigation** technique whereas only **1.8%** with **Localized** irrigation and **2.8%** with **Sprinkle** irrigation which are the most efficient and water-saving irrigation techniques



Agriculture Productivity, 2000-2009



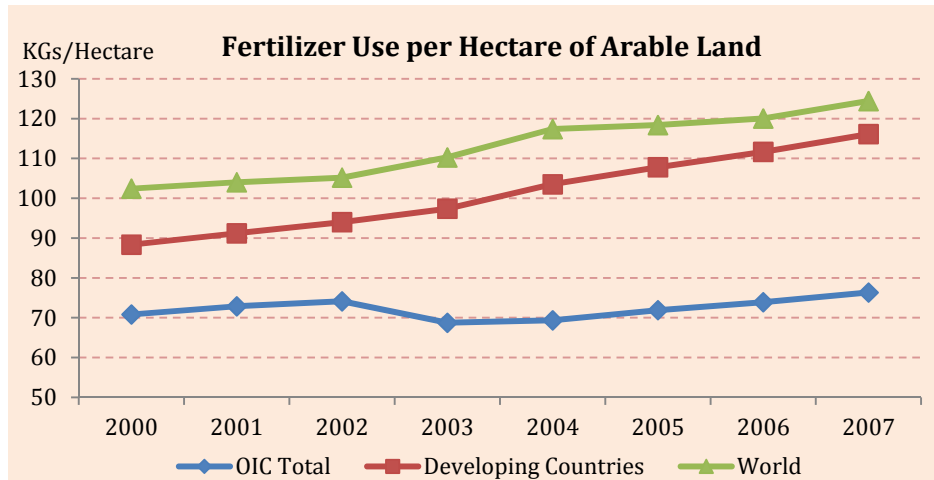
Average land productivity in OIC Countries was only **2.3 tons** per hectare compared to the world average and the average of the developing countries of **3.2 tons** per hectare



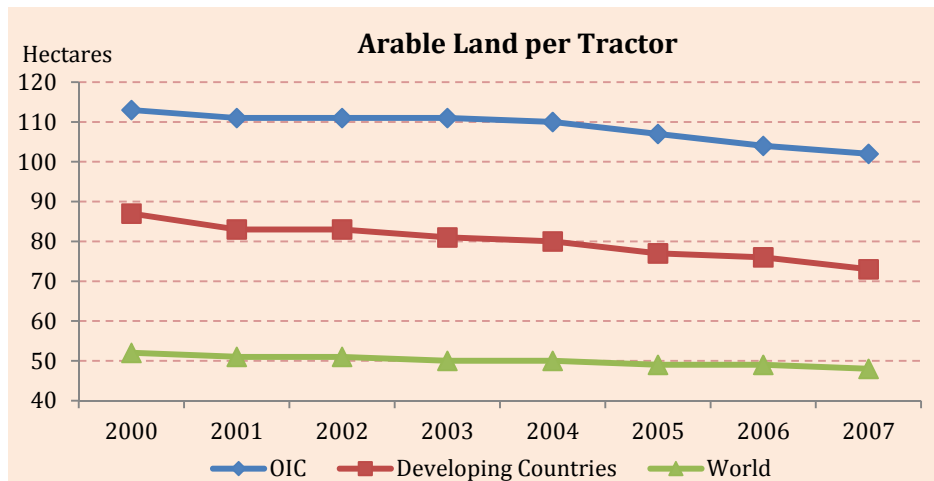
Average agricultural labor productivity in OIC Countries recorded at **US\$ 509** compared to the world average of **US\$ 681** and the average of the developing countries of **US\$ 515**



Fertilizers and Tractor Use, 2000-2007



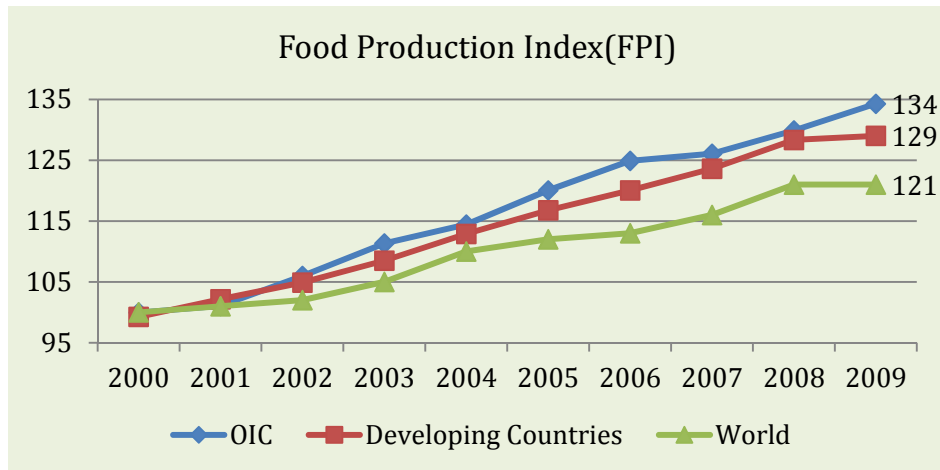
On average only **76 KGs** of fertilizers were used per hectare of arable land in the OIC countries, compared to **116 KGs** in the developing countries and the world average of **124 KGs**



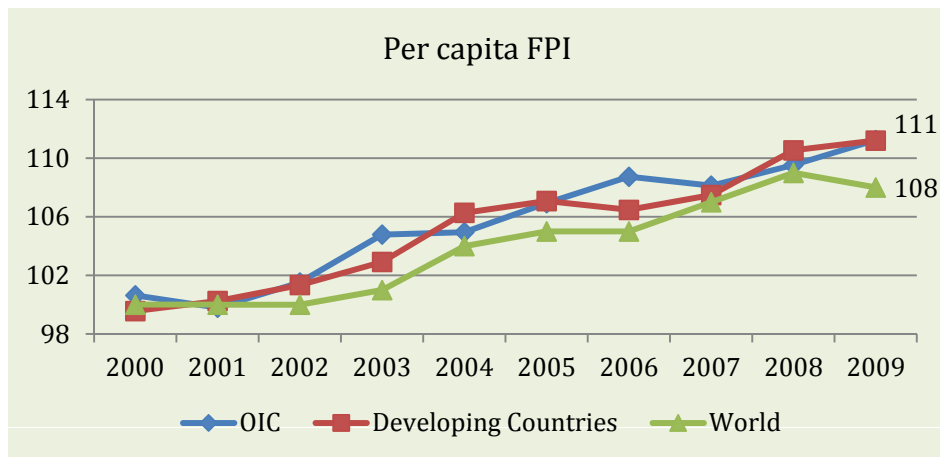
On average, one tractor is still used in more than **100 hectares** of arable land in OIC countries, compared to **73 hectares** in the developing countries and the world average of **48 hectares**



Food Production Index 2000-2009



Average FPI for OIC countries showed an upward trend recording a value of **134** in 2009, compared to world average of **121** and average of developing countries of **129** in 2009

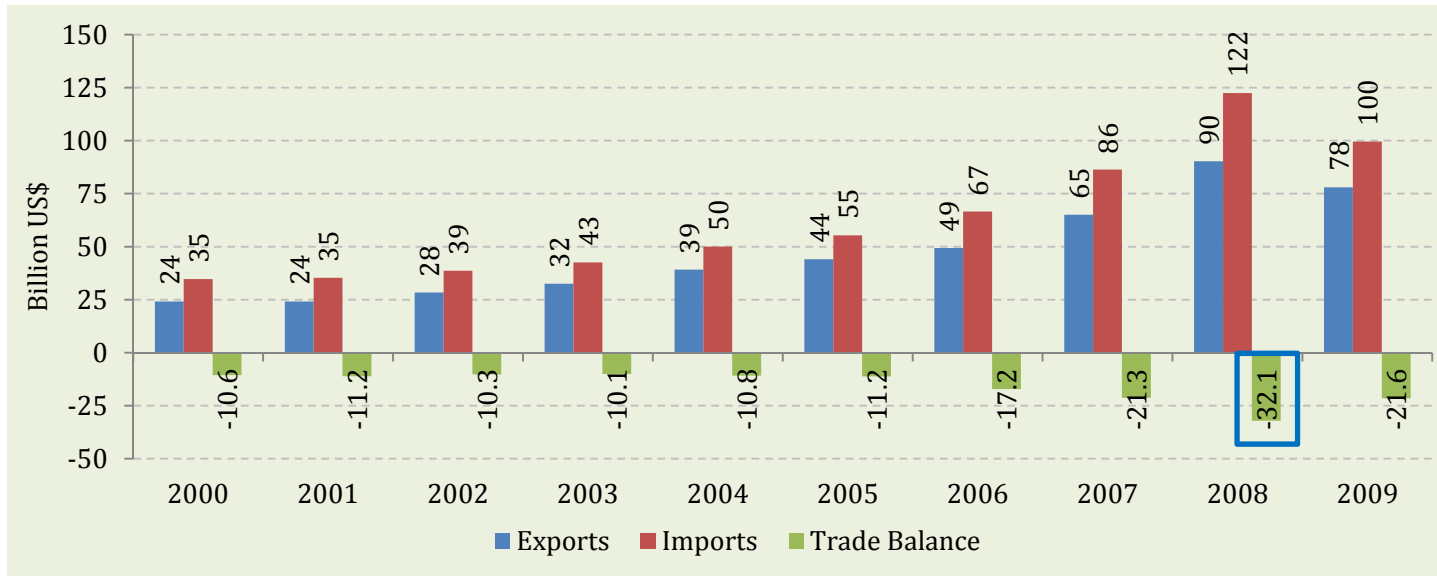


In 2009, OIC average per capita FPI (**111**) remained slightly higher than the world average of **108** and equal to that of developing countries of **111**

Yet, at individual country level, the FPI was still **below 100** in **25 OIC countries** in 2009



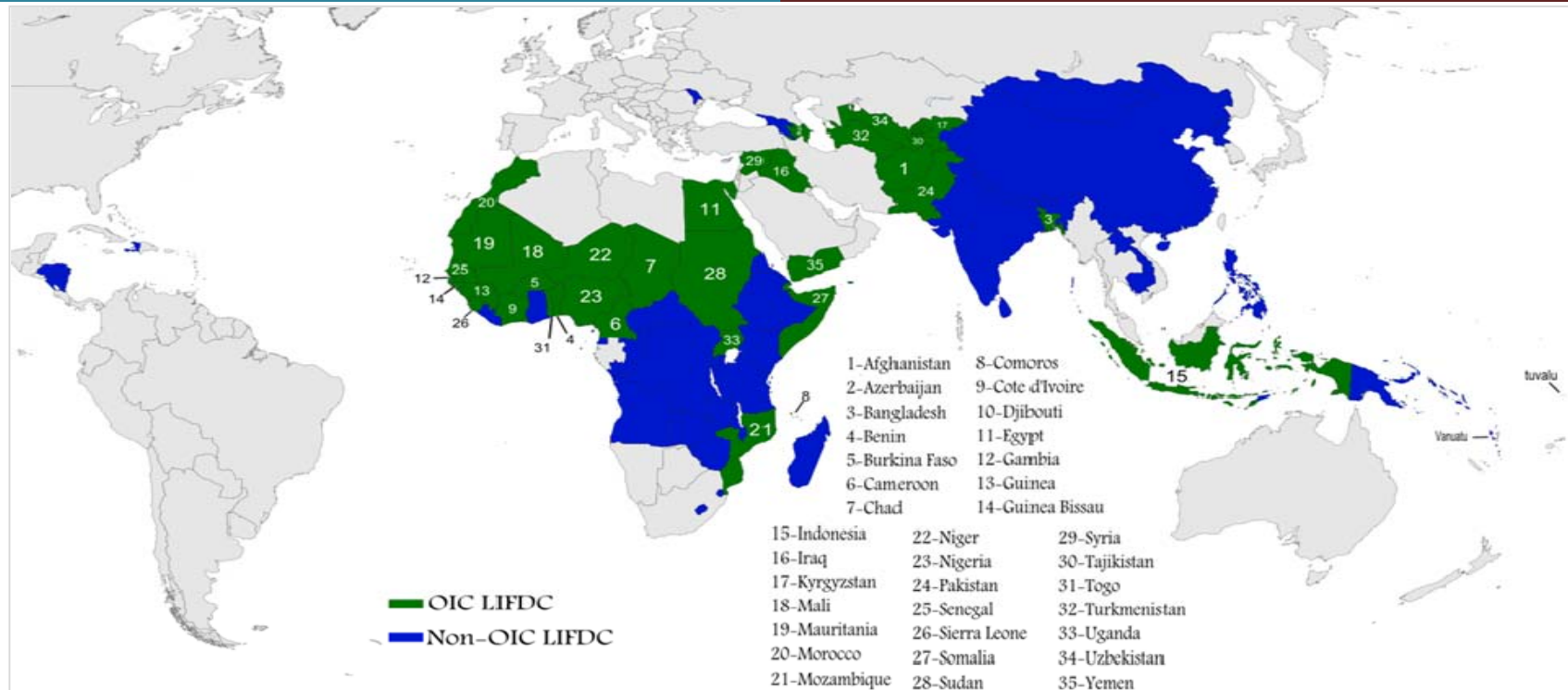
Trade in Food, 2000-2009



- As a group, OIC countries are **net importers of food**.
- Food trade deficit in OIC countries has shown an increasing trend from **US\$ 10.6 billion** in 2000 to **US\$ 21.6 billion** in 2009; with the **highest deficit** recorded in 2008 (**US\$ 32.1 billion**).



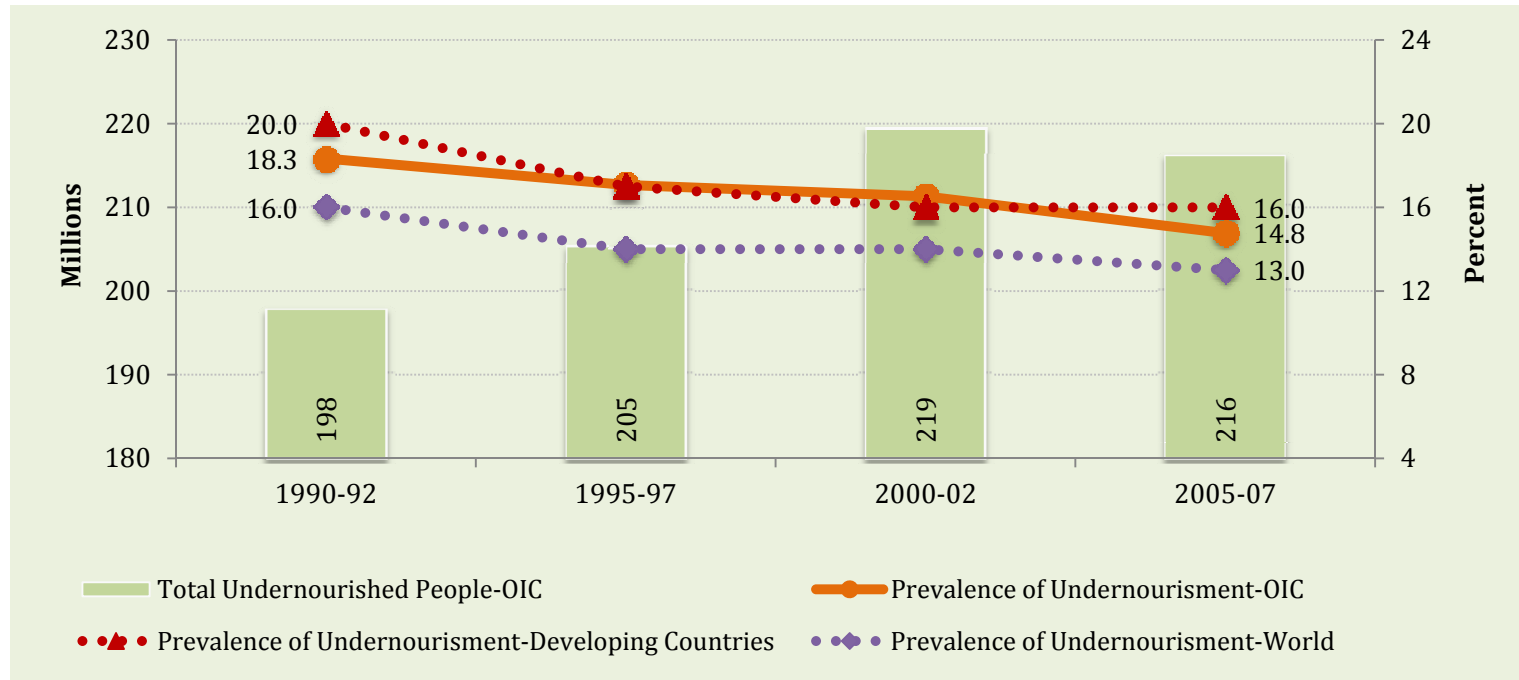
Low-Income Food Deficit Countries (LIFDCs)



- 35 OIC countries are classified as LIFDCs.
- Most of these countries are located in **Sub-Saharan Africa** and the arid regions of **West Asia and North-Eastern Africa**.
- 16 of OIC-LIFDCs are classified by the FAO as “**Countries in Crisis Requiring External Assistance**”.



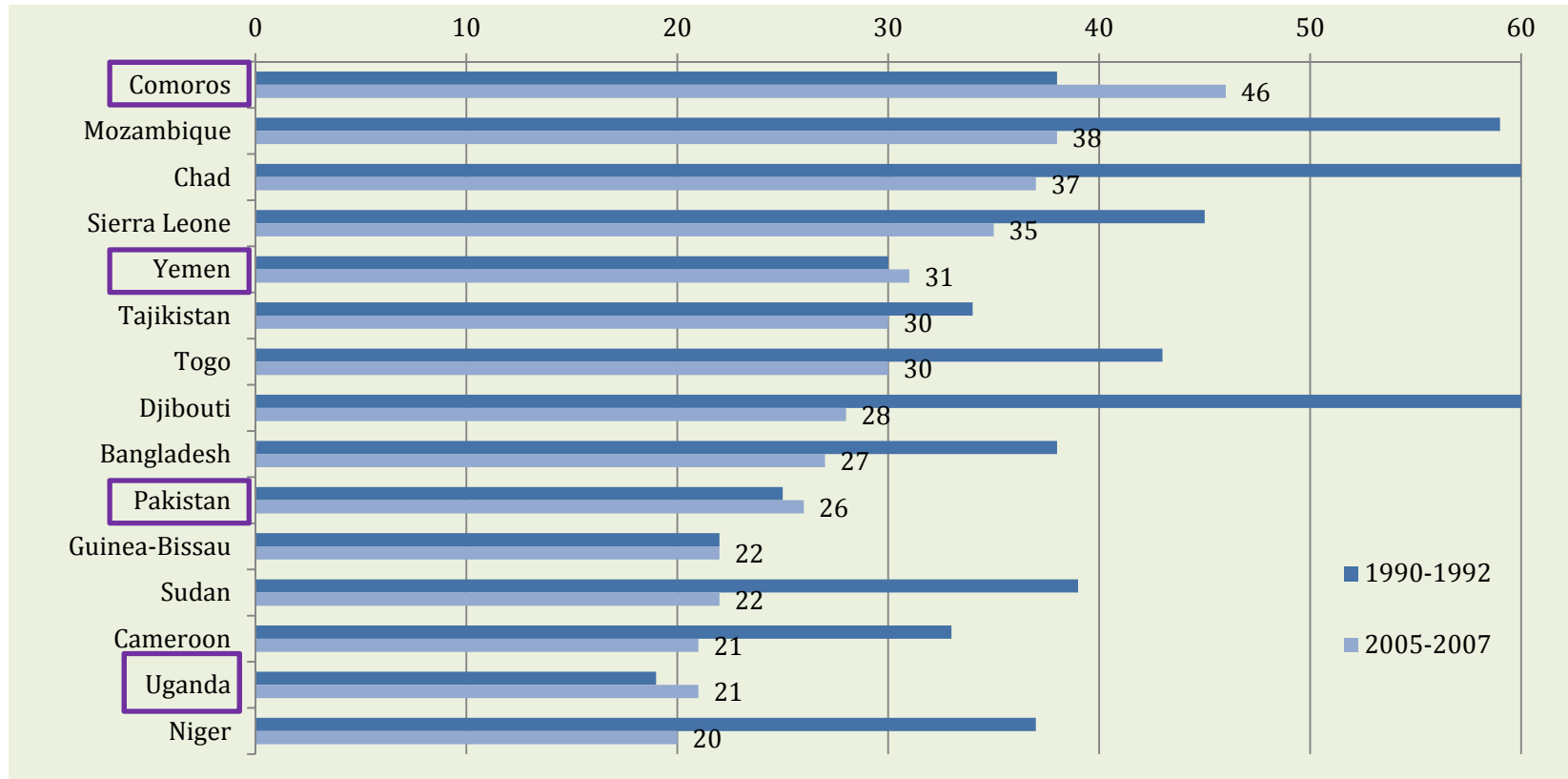
Undernourishment



- **216 million undernourished** people were living in OIC countries in 2005-07, corresponding to **21%** of the world total undernourished people.
- Although the average **share of undernourished people in total population** of OIC countries has been declining since 1990, it was still at a level of **14.8%** in 2005-07, a level which is higher than the world average of **13%**, but slightly below the average of the developing countries of **16%**.



High Prevalence of Undernourishment in 15 OIC Countries



- Prevalence of undernourishment was still very high in many OIC countries in 2005-07, especially the OIC-LIFDCs. It was higher than the world average of **13%** in **21 countries**.
- Compared with the level in 1990-02, undernourishment has increased in Comoros, Yemen, Pakistan and Uganda.



Major Challenges and Constraints-I

- **Inadequate use of land and water resources**, due to the scarcity and inefficient use of water resources and agricultural machinery and technologies.
- **Inadequate land tenure and water rights** due to the lack of appropriate legal rules and regulations frameworks, as well as problems related to cross-border water sharing agreements.
- **Low agriculture productivity** and poor access to production inputs and related infrastructure and services.



Major Challenges and Constraints-II

- **Concerns on governance, political and economic stability, weak institutional capacities and administrative bureaucracy, and inadequate agricultural planning and strategies.**
- **Inadequate agricultural investments and limited financial resources and fluctuations in world agricultural commodity prices and other trade difficulties in the international commodity markets.**
- **Inadequate economic transformation and structural diversification policies and increasing migration of agriculture labour force from rural to urban areas**



Major Challenges and Constraints

Yet, despite these constraints and challenges;

- Agriculture is still considered as a very important and crucial economic sector in many OIC countries with high potential to significantly improve the state of food security.
- **23** OIC countries are figured among the world **top 20 producers** of major agricultural commodities, varying from cereals to tropical/temperate zone commodities.



OIC Countries among the World Top 20 Producers

Commodities	Cocoa	Coffee	Cotton	Maize	Natural Rubber	Palm Oil	Rice	Soybean	Sugar Beet	Tea	Wheat
Afghanistan											20
Bangladesh							4			11	
Burkina Faso			14								
Cameroon	6				14	13					
Côte d'Ivoire	1	11			8	8					
Egypt			12				13		12		15
Gabon					20						
Guinea	17				19						
Indonesia	2	4		8	2	1	3	10		7	
Iran								18	14	10	14
Kazakhstan			18								10
Malaysia	13				3	2					
Mozambique			20							18	
Nigeria	4		13	10	9	3	18	11			
Pakistan			4	18			12				6
Sierra Leone	16										
Syria			8								
Tajikistan			17								
Togo	8										
Turkey			7	12					6	5	8
Turkmenistan			9								
Uganda	19	12								13	
Uzbekistan			6								18



Intra-OIC Investment in the Agriculture Sector

- Agricultural development and improving food security either by **increasing agricultural productivity** or by **bringing more land under cultivation require financial resources** ...this signifies the importance of **appropriate investments in agriculture sector** at the national level and/or in terms of FDI.

But

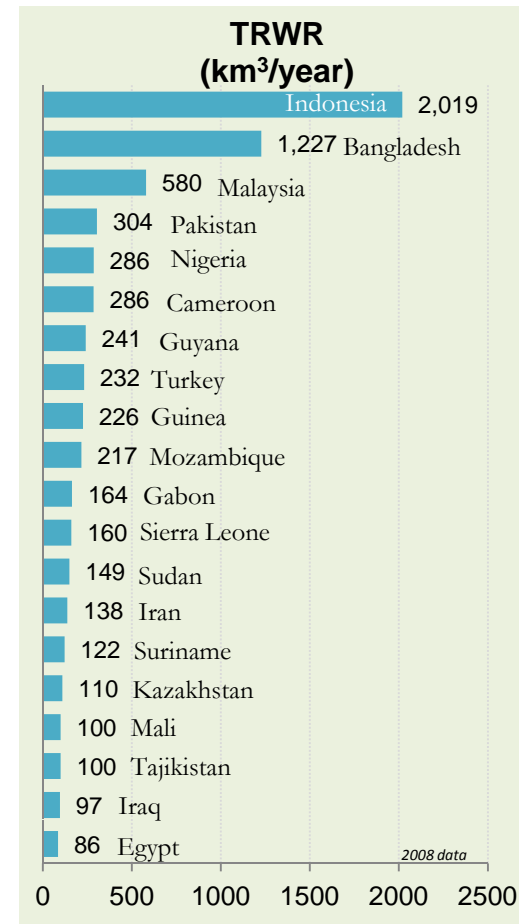
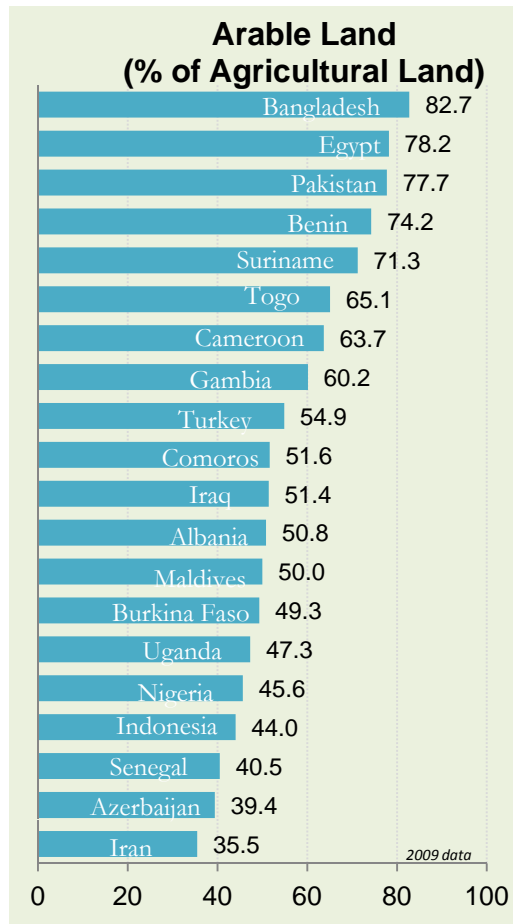
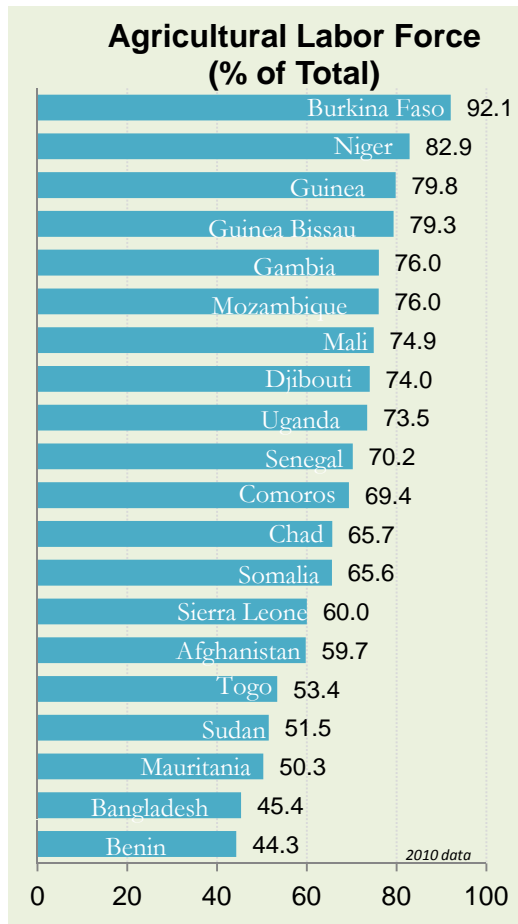
- **Agriculture-oriented projects** are perceived as **very risky** in developing countries ..mainly due to **weak business and investment climate**.

Therefore,

- **Improve the investment climate and encourage the Intra-OIC investment in agricultural projects** by directing more intra-OIC FDI to the least-developed agricultural-based member countries .
- Recently, some OIC member countries, particularly GCC members, made huge investments in the agriculture sector of some OIC-LDCs. There is need for encouraging and promoting such initiatives.



OIC Countries with High Potential for Intra-OIC Agriculture Investment



37 OIC countries (20 of them are LDCs) enjoy high potential at least in terms of one of agricultural resources (agricultural labor force, arable land and water resources).



Policy Recommendations & Project Proposals-I

- At the national level, efforts should be made to **increase agricultural productivity**, particularly in food products, by increasing the arable land area through appropriate national investments and/or through attracting FDI in the agriculture sector.
- At the OIC cooperation level, efforts should be made to enhance and direct more **intra-OIC investment in the agriculture sector**.
- An **OIC Agricultural Investment Promotion Agency (OIC-AIPA)** is recommended to be established.
- An **OIC Seed and Crop Improvement Centre (OIC-SCIC)** is recommended to be established.
- An **OIC Agro-Business Fund** should be established to encourage investments in food sector and food security programmes.



Policy Recommendations & Project Proposals-II

- An **OIC Food Security Program** should be initiated and developed for rehabilitation and rebuilding of the agriculture and food sector.
- The issues of **water shortage** in the context of food security, public health and sanitation, and access to safe drinking water should be addressed both at the national and OIC cooperation level.
- **Improving business and investment environment** at the national level should be considered a high priority with emphasis on the promotion of OIC investors in member countries through introducing specific measures in national regulatory frameworks.
- An **emergency response mechanism** should be developed and adopted at both the national and OIC cooperation level.



Thank you for your attention