

## POSITION STATEMENT



# Value Chains and Trade

**CABI** envisions a world in which smallholders sustainably produce high quality agricultural products, access global markets and improve their livelihoods as they contribute to the increasing global demand for the quality food that is required by consumers.



## Background

Value chains are the sequence of channels (through which commodities move and are transformed) and actors (input suppliers, producers, processors, traders, consumers, etc.) involved in the process from production to the delivery of a product to market. Addressing challenges in agricultural value chains is therefore recognised globally as a way to increase production and productivity, add value, improve access to markets, diversify rural economies, and contribute to increasing rural household incomes in many developing countries. The agricultural market is growing and is currently estimated at more than USD 3 trillion – about 70% of this comes from smallholder farmers, who are particularly vulnerable to production challenges, including climate change.

International trade and travel have expanded significantly in recent decades, increasing the movement of agricultural products that may pose a risk to health. To minimise this risk, all countries that are members of the World Trade Organization (WTO) are bound by the Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement), which guides on the application of food safety, animal health and plant health regulations. CABI recognises the SPS Agreement, which besides respecting the need for WTO members to protect themselves from the risks posed by the entry of pests and diseases also seeks to minimise any negative effects of SPS measures on trade.

Complying with both public (established by governments, eg the SPS Agreement) and private (established by private associations and/or individual companies, eg GLOBALG.A.P.) non-tariff standards remains a challenge and represents a significant barrier to market access, especially for poor and vulnerable producers in developing countries. This is mainly due to insufficient information and technologies to sustainably increase productivity of the high quality agricultural products demanded by the market and also weak market linkages between value chain actors. CABI is well placed to help address these challenges.

## CABI's contribution

- CABI actively promotes agricultural diversification to help mitigate and adapt to climate challenges by diversifying agricultural systems, especially those of smallholder producers. CABI is leading the Global Action Plan on Agricultural Diversification (GAPAD), a product of the Declaration on Agricultural Diversification, signed in 2015 at the UNFCCC COP21 Paris meeting. GAPAD will contribute to the implementation of SDG2, especially targets 2.1, 2.3, 2.4 2a and 2c
- CABI, as an intergovernmental organisation, has member countries that collectively offer their global presence, local networks and partnerships in identifying and exploiting emerging opportunities through South–South and Triangular cooperation
- CABI's expertise in participatory identification of challenges in the value chain, organising producers into groups, strengthening the capacities of value chain actors (producers, intermediaries, input suppliers, regulators, etc.), especially on compliance with national and international standards, in line with the SPS Agreement, are key to facilitating value chains and promoting trade
- CABI's established partnerships (some in the form of memoranda of understanding) with national governments, regional economic blocks and international bodies facilitate joint development, as well as the implementation of projects addressing challenges in agricultural value chains, including production, processing (value addition) and agripreneurial skills
- CABI's expertise and resources in knowledge creation, management and dissemination play a key role of identifying what the market demands as well as linking various value chain actors. CABI engages with agripreneurs and uses new technologies to deliver business-related information



# CABI's goals and activities

## GOAL 1

### Enhanced productivity and quality of produce, sustainability and climate resilience of farming systems

CABI will:

- Generate and/or evaluate improved/climate-resilient production and productivity-enhancing innovations and approaches. This will aim to both prevent pest attacks and promote sustainable management, including the use of biological controls
- Enhance the sustainability/resilience of farming systems through agricultural diversification, to be implemented through the GAPAD initiative, together with Association of International Research and Development Centres for Agriculture partners
- Build the capacity of value chain actors (especially producers and intermediaries) to increase sustainable production and productivity, in response to market demands. Emphasis will be on empowering youth and women through employment creation by growing and commercialising (see Goal 2) high value crops, including in peri-urban locations
- Disseminate improved/climate-resilient production and productivity-enhancing innovations and approaches
- Promote and evaluate the adoption and impact (social and/or technical) of improved innovations and approaches, eg in the Better Cotton Initiative project

## GOAL 2

### Improved access to markets through enhancing the business skills of value chain actors (especially smallholders) and availing of market information

CABI will:

- Strengthen farmer business organisations (build capacity in business awareness and skills) for better access to input (including affordable credit) and output markets
- Build the capacity of decision makers and technical experts from the public and private sector on SPS, in risk assessment and compliance with national and international standards
- Enhance post-harvest processing and value addition to commodities, through infrastructure development and training on loss reduction, packaging and handling, cold storage, etc.
- Facilitate communication between value chain actors, strengthen compliance to public (in accordance with the SPS Agreement) and private standards and facilitate local/international trade





## GOAL 3

### A vibrant value chains and trade portfolio with a secure future

CABI will:

- Engage with financiers and strategic partners to build the value chains and trade business
- Support the CABI Science Strategy, including through scientific publications on value chains and trade
- Ensure inter-centre collaboration (including South–South) as well as stronger linkages with other CABI themes and programmes to promote “One CABI”
- Promote the value chains and trade theme by attending and making presentations at regional and international meetings
- Engage with CABI member countries and others to implement relevant national or regional policies related to trade

[www.cabi.org](http://www.cabi.org)



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