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Triple-P in Egyptian Horticulture

Report on 2nd Triple-P workshop, November 2010

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Sustainable horticulture in Egypt: implementation of a Triple-P approach

Executive summary 2nd Triple-P workshop

The 2nd Triple-P workshop was organized on November 9th, 2010, in Cairo, Egypt, and was attended by a broad spectrum of participants from the public and private sector.

The goals of the workshop were to generate ideas on:

- incentive-driven, integrated development of the horticultural supply chain towards greater sustainability
- public-private cooperation

The major outcomes of the workshop were:

- The need for a focus on sustainability in the value chain for vegetables for the domestic market in Egypt was acknowledged.
- This value chain is very complex.
- Cooperation between the public and private sector offers opportunities for an integrated approach towards solutions.
- Commercial incentives, with public support are key elements.
- The Triple P team will develop in 2011 the outlines of a project plan with objectives, expected results, and priorities for intervention and activities.
- Plans will be developed and communicated in close consultation with workshop participants and other stakeholders.

Second Triple-P workshop

Date: Tuesday November 9th, 2010

Venue: Mariott Hotel, Cairo

Host: Dr. Hans van der Beek

Convenor: Mr. Diederik van Groen

Programme

9:00	Coffee	
9:15	Welcome	Dr. Hans van der Beek
9:25	Opening	Prof. Dr. Salama Eid Salem
9:40	Workshop goal and set-up Personal introduction	Mr. Diederik van Groen
10:00	Project outline	Dr. Anne Elings
10:15	Value chain perspective to triple-P in horticulture in Egypt	Mr. Bart Doorneweert Mr. Flip van Koesveld
10:35	Private sector experiences and challenges	Mr. Stephane Maurin
10:45	General discussion	All
11:30	Coffee break	All
12:00	Organisation of discussion groups	Mr. Diederik van Groen
12:05	Group sessions	All
12:50	Plenary report General discussion	All
13:35	Wrap-up	Mr. Flip van Koesveld
13:50	Closure	Dr. Anne Elings
14:00	lunch	All

Participants

#	Name	Position
1	Prof. Dr. Salama Eid Salem	Director Horticultural Research Institute
2	Dr. Omar Abdin	Executive Director Ministerial Group of Agricultural Policies Ministry of Finance
3	Mr Mustafa Talha	Agricultural Services Manager Horticultural Export Improvement Association
4	Mrs. Ghadir Yassin	Agro. Sector Assistant Horticultural Export Improvement Association
5	Mr. Ahmed El Ariny	Agro-Business Sector Manager Industrial Modernisation Centre
6	Dr. Amr Farouk Abdelkhalik	Strategic Planning and Technical Support Centre Ministry of Higher Education and State Ministry for Scientific Research The Minister's Office
7	Dr. Hesham Allam	Assistant Professor, Horticultural Research Institute
8	Prof. Dr. Farouk El Aidy	Professor of Horticulture University of Kafr El Sheikh
9	Prof. Dr. Mohamed Samir M. Abo Soliman	Chairman, Executive Authority for Land Improvements Projects Ministry of Agriculture and Land Reclamation
10	Eng. Wafik Zaki	Team Leader, Fayoum FFS Project
11	Mr. Stephane Maurin	Director Food Makro
12	Mr. Adel Afifi	Category Manager Fruits and Vegetables Makro
13	Mr. Amr Awad	Fruits and Vegetables Export Manager Makro
14	Hossam Hussain	Fruits and Vegetables Export Quality Manager Makro
15	Dr. Hans van der Beek	Agricultural Counsellor, Embassy of the Kingdom of the Netherlands
16	Dr. Ahmed Wally	Assistant Agricultural Counsellor, Embassy of the Kingdom of the Netherlands
17	Dr. Anne Elings	Triple-P project leader Crop Modeller / Physiologist Plant Sciences Group, Wageningen UR
18	Mr. Bart Doorneweert	Triple-P project member Economics Researcher Sustainable Agri-Development, Wageningen UR
19	Mr. Flip van Koesveld	Triple-P project member PPO-AGV Wageningen UR
20	Mr. Diederik van Groen	Triple-P project member Synergie Consultant

Welcoming address by Dr Hans van der Beek, Agricultural Counsellor of Royal Dutch Embassy in Cairo.

Dr van der Beek, welcomes everybody and underscores the importance to develop an integrated project promoting small scale horticultural farming in Egypt, enhancing both environmental and economic conditions of rural Egypt and at the same time addressing the food safety and requirements of the domestic market for fresh horticultural produce. Mr van der Beek wishes to encourage the private and public sector to cooperate and he expresses the ambition to develop an integrated project for horticultural innovation at small farmers' level in Egypt. Introducing a newly installed Dutch Government, Mr van der Beek explains that in The Netherlands, The Ministry of Economic Affairs and the Ministry of Agriculture have merged into an new Ministry of Economic Affairs, Agriculture & Innovation. He wishes all participants to the Triple P workshop a very successful and fruitful discussion.

Opening address by Prof. Dr. Salama Eid Salem of the Horticultural Research Centre.

Professor Salem indicates that small scale farmers need to attain higher yields to improve their income. In current times many technologies are available to put into practice; however it is hard for small scale farmers to implement these technologies. Modern technologies include improved varieties, seed and seedlings; irrigation, fertilization and weed control, Integrated Pest Management, Integrated Crop Management and pre- and post harvest management (inferior post harvest management accounts for as much as 25 to 35% of loss). Good Agricultural Practice will lead to improved production and reduction of costs at the farm level. 40% of Egypt's population depends on Agriculture. Professor Salem hopes that the workshop will generate new ideas and innovation and wishes the participants good luck.

Mr Diederik van Groen, Moderator of the workshop and member of the Triple P team.

Mr. van Groen briefly summarizes the main topic of the workshop of the Triple P. People, Profit, Planet is a concept of sustainability in Horticulture. Small farmers and private sector are increasingly linked especially on the domestic market of Egypt. The purpose of the workshop is to share ideas on this integrated concept of horticultural development involving the various stakeholders in the so called Value Chain of fresh vegetables in the domestic market of Egypt. The workshop is intended to generate ideas on cooperation and integration to optimize the various interventions and supportive measures in the supply chain, creating a win-win for the farmers, consumers, traders as well as for the environment.

Key challenges in the design of integrated 3P value chain development pilot scheme with small farmers are:

- mitigate land fragmentation through innovative forms of farmers'cooperation/organisation (NOT cooperatives!)
- invert offer driven production towards demand driven production and to create market driven
- incentive rather than Government driven
- invert offer driven information/extension/training towards demand driven i/e/t
- design coherent and sustainable partnering modalities amongst value chain stakeholders

Dr Anne Elings, Triple-P project leader

Mr. Bart Doorneweert, Triple-P team member

Dr. Anne Elings and Mr. Bart Doorneweert introduce the various components of the project design. The workshop is best described as a "process" towards a more detailed project proposal that will be presented in the course of 2011. The current activities have been financed by the Dutch Embassy / Dutch Ministry of Agriculture and should lead to an integrated, multi stakeholder project plan to improve Egyptian small holder horticulture and at the same time address important sustainability constraints related to the environment, water and nutrients, the dependency on pesticides, the post harvest losses and the quality. Solutions to isolated problems are known, but not adequately implemented. The current low level of quality of both the product as well as the production process has a deeper cause: horticulture is an integrated activity over the chain, and therefore, solutions must also be based on the value chain. Only when triggered by market incentives a change will actually be made by the farmers. Therefore it is important to identify new market initiatives and re-organize the value chain accordingly. Modern markets such as wholesale and retail can play a very important role as has been demonstrated in various other emerging markets in Europe and Asia. Production needs to be improved, both in volume and in quality, logistics and marketing needs to be optimized and knowledge has to be made available for all farmers and stakeholders.

Small farmers need incentives to trigger implementation of new technologies and these have to be tested and evaluated in a demonstration project or 'proof of principle'. These integrated production processes need to be supported by the appropriate institutional environment of research, extension, (micro) finance, legislation, policy instruments, etcetera. The project therefore stimulates public-private partnerships. After the demonstration phase and positive evaluation, the project then needs to be scaled up. The rough scheme is to design and prepare the demonstration in 2011, to implement it in 2012, and

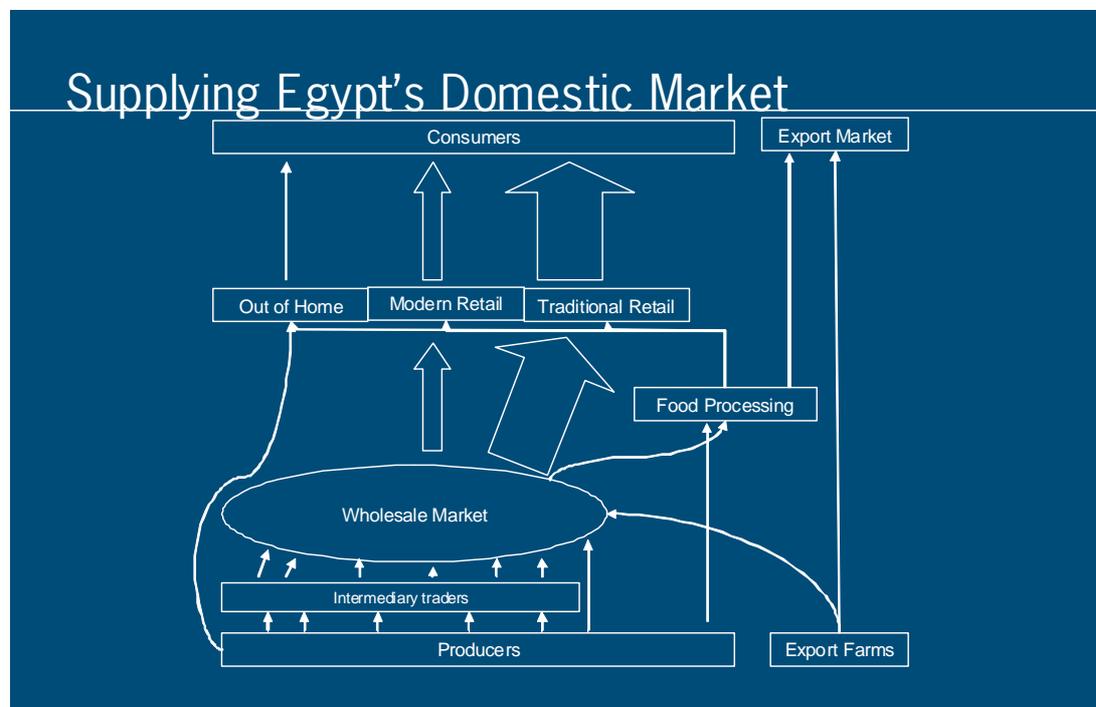
to up-scale it in 2013/2014. An indispensable factor for up-scaling is the commercial sector. In essence the consumers are in the 'driving seat' and the commercial sector addresses these consumers. Policy makers have to develop the supportive measures and conditions to stimulate these developments. Triple P develops a project that has to become self-sustainable in due time; and this is only possible with sufficient commercial demand and increasing quality awareness. The project outlines the following choices:

- Horticulture
- Domestic markets
- Old land
- Small farmers organized in farmers' groups

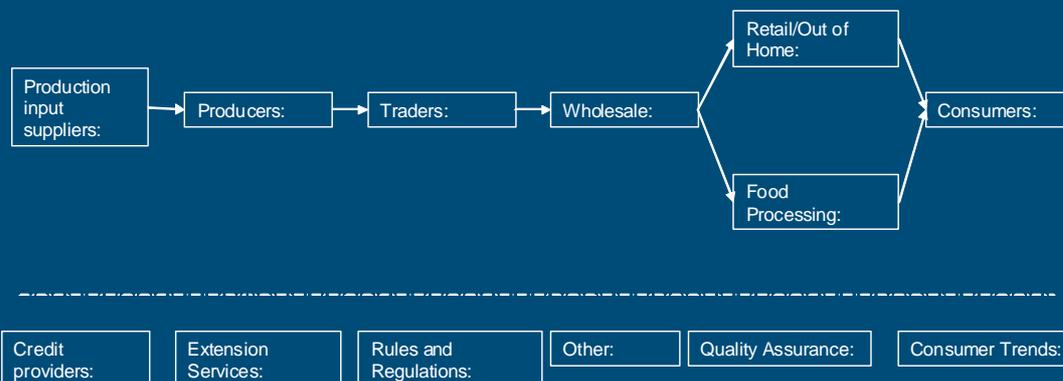
	People	Planet	Profit
Production			
Marketing			
Knowledge			

Table 1: The relations between People-Planet-Profit (Triple-P) and Production-Marketing-Knowledge.

Good Agricultural Practices is a concept, which covers the bulk of issues relating to the sustainability of horticultural production in Egypt. Export producers are already up to standard in the implementation of GAP. The various aspects of GAP are known. The burning issue is now to look at the bulk of production which is marketed in Egypt to the local market. This production is generally realized by the group of small farmers. The big question here is "how to change". Good Agricultural Practice does not command higher prices but will be cost saving on the farm and in the logistical system. The role of Government should be facilitating. This can be achieved by for example promoting improved irrigation, banning certain pesticides, generating funds for extension, introducing and enforcing legislation of food safety, etcetera. Extension needs to become demand driven and continuous access to information is key for success. It is evident that multiple actors will be involved, spanning from producers to retail, aided by government facilitation and a supportive system of knowledge exchange.



The Value Chain Perspective



Mr Stéphane Maurin, Director Food of Makro Cash & Carry Egypt Ltd.

Mr. Maurin introduces the background and concept of the company's fruit and vegetable strategy. The wholesale business of Makro / Metro amounts to 33 Billion Euro per year. The company operates world wide and for that reason it is highly important for the company to maintain high quality standards and to safeguard as much as possible the quality of the supply chain as well as food safety and low pricing levels. Price levels need to be competitive since Makro / Metro is a wholesaler and needs to commercialize its products for other businesses in the value chain such as Hotels, Restaurants & Catering, shop keepers, and various other industries. Makro / Metro cannot afford to risk any scandal related to the environment or to food safety.

Makro needs a full package of fresh fruit and vegetables for its store each day. Makro can not sell bad quality and needs continuous supply. Makro organizes training for its customers (for example training for chefs of high end Hotels). Makro also organizes farmers training and for this initiative, the Dutch Government supports the Makro Farmers Project. Egypt has an excellent Horticultural export sector, but for the domestic sector, the level of organization is very low. Makro has the experience, also in other countries, that for the supply of its fruit and vegetables it needs the small farmers. A company like Makro can only depend on the export players to a limited extent. Makro intends to invest in the domestic supply chain by supporting farmers by training, by having field men on the ground, close to farmers, and by moving upstream into the supply chain by setting up so called "platforms" for sourcing close to fields. Makro already brings plastic crates and carton boxes to the farmers and starts developing a system of tracking and tracing. Makro acknowledges the fact that the existing supply chain is far from efficient. A breakdown of the supply chain of eggplant (as an example) clearly indicates that a reshuffle of the various steps of the supply chain easily provides a win-win scenario, both for farmers as well as for consumers. That means that the farmer's price with a moderate incentive of +10% may generate significant change in quality and productivity.

Makro intends to build confidence with its suppliers, but at the same time adheres to the principle that stakeholders remain independent. Therefore Makro does not issue contracts to the farmers but provides the opportunity to learn and to grow in quality awareness to serve the modern markets. More demand will trigger more Good Agricultural Practice. Makro welcomes cooperation with various Government Representatives to develop new concepts and regulation of important pre conditions and policy.

Plenary discussion

- The public sector, through for example legislation, can define the needs of customers, e.g., in terms of quality and safety. The private sector can develop benchmarks.
- Working with groups of farms is essential in the project, to obtain economics of scale. The leading entrepreneurship in such a construction must be transferred to the group leader, while maintaining accountability.
- There are attempts to modify the cooperations, and have them work as NGO's. They should have sufficient funds to run training courses.
- Develop possibilities to implement IPM.
- Lower Egypt is considered to be very difficult to work in, for instance as a consequence of its land fragmentation. Upper Egypt has traditionally received many more funds. Makro considers Egyptian regions with its own production seasons as a means to guarantee a continuous supply of fresh horticultural products.

Group work

Group 1

The group summarized a number of interventions / activities / facilities that exist in Egypt. There are a lot of services available as well as policy support. However, these instruments need to be maximized and aligned to attain better results. As an example the Ministry of Agriculture addressed the ARC, Extension, PB DEC (finance for farmers). On the level of the Ministry of Health a policy is being developed on food safety. It is advised that the Ministry of Health and the Private Sector attain consensus on food safety standards related to vegetables. As an example it is mentioned that new technologies such as internet and mobile communication can speed up development and TV programmes on sustainable farming are being developed to reach a large number of farmers and consumers.

The conclusion is that the various processes in the supply chain concept need to be identified, evaluated and improved and that the supply chain concept should result in interlinking the different existing instruments.

Group 2

The importance of new concepts of production is underscored. There is need for modern standards of production such as IPM. The group also indicates that small farmers are very difficult to address, and it seems better to use medium sized and grouped farmers (the leading farmer can either be a farmer himself, or be a random leader). Farmer associations can demonstrate for example post harvest technologies. Land fragmentation is an issue that also needs the attention in order to create more efficient scale of economy. IMC is interested to subsidize training programmes. Universities can be involved in training and extension, and have laboratories available. ARC can also be involved in extension. FFS can be involved in surveys prior to extension activities.

Summary of Workshop by the project team

The complexity of the Value Chain for Vegetables for the Domestic Market is paramount. However there are a number of opportunities and challenges which support our ideas of an integrated approach of interventions inviting both public and private sector to cooperate. A very important factor for our project is the presence of a clear commercial incentive, along with solid public support. At a very small initial scale, an initiative of Makro can be supportive to a pilot or demo project, but these commercial initiatives have to emerge on a larger scale in order to magnify the proposed model to a large number of small farmers. The Egyptian Public sector has ample instruments which can be mobilized in the future and there is a more "global" need to address issues like climate change, water conservation and social stability that will attract the attention of the international community. Now it is time for the Triple P team to come up with an outline of the project plan with indications on the more precise objectives and expected results, as well as of priorities for intervention and activities. This will include a proposition on the terms of reference for the consortia, time frame and project budget. In close consultation with participants of the two Triple P workshops as well as with other stakeholders, these plans will be communicated and stakeholders will be invited to contribute to the project design.

Closing address by Dr Hans van der Beek.

Dr. Van der Beek expresses his appreciation for the involvement of all attendants of the workshop and he is happy to have witnessed that the topic of the Triple P workshop is supported by all. There is common concern as well as a common ambition to develop an integrated project to improve the livelihoods of the small farmers of Egypt and at the same time stimulate sustainable production, business development and food safety.

<i>Meeting</i>	<i>09:00 a.m.</i>
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<i>Lunch</i>	<i>03:00 p.m.</i>
<i>Meeting</i>	<i>05:00 p.m.</i>
<i>Dinner</i>	<i>08:00 p.m.</i>
 <u>TREBLE – P HORTICULTURE</u>	
<i>Meeting</i>	<i>09:00 a.m.</i>
<i>Lunch</i>	<i>02:00 p.m.</i>
 <u>GLOBAL ACCESS / RDI</u>	
<i>Meeting</i>	<i>10:00 a.m.</i>
<i>Lunch</i>	<i>01:30 p.m.</i>
 <u>GRAND CIRCLE - EGY</u>	
<i>Meeting</i>	<i>06:00 p.m.</i>





