



Competitive Value Chains and Market Linkages

The Liberia Agriculture Sector Investment Program (LASIP) identifies priority areas from which investment projects aligning national objectives and the Comprehensive African Agriculture Development Programme (CAADP) are to be developed. These objectives are embodied in Liberia's national vision and goal for the agriculture sector as stated in the Lift Liberia Poverty Reduction Strategy (PRS), as well as the food and agriculture sector vision contained in the Food and Agriculture Policy and Strategy (FAPS).

Vision and Goals

According to the national PRS vision, Liberians want to build a new nation that is peaceful, secure and prosperous, with democratic and accountable governance based on the rule of law and sustainable livelihoods and other economic opportunities. The PRS seeks to revitalize the food and agricultural sector to contribute to shared, inclusive, and sustainable economic growth and development, provide food security and nutrition, increase employment and income, and measurably reduce poverty. The goal of the Food and Agriculture Sector Vision (FAPS) is to create a nation with food security and nutritional adequacy that enables a nourished population, thus contributing to the optimal health, education and training, economic growth and development, and improved and sustained quality of life of the people. The Agriculture Sector Investment Program (LASIP) seeks to transform Liberian agriculture and in so doing maximize the sector's contributions to economic growth through employment and income generation, food and nutrition security, and poverty reduction. To overcome pervasive structural impediments and a poor policy environment which have undermined agricultural growth and development (i.e. low yields, depleted infrastructure, weak institutional capacity and poor market linkages), LASIP adopts a pro-poor approach to raising agricultural productivity, strengthening institutions, and making markets work for households and communities through commercialization and private sector initiatives. The key performance indicator for agriculture is the Expansion of agricultural production by about 3.6% per annum through 2011 and 6% per annum by 2015 to sustain food and nutrition security, increase employment and income, and reduce poverty. The LASIP will have four major programs:

1. Land and Water Development
2. Food and Nutrition Security
3. **Competitive Value Chains and Market Linkages**
4. Institutional Development

Objectives and Outcomes

Accessing and getting markets to work effectively is an important challenge for countries like Liberia that must transition from low-production subsistence farming to high-productivity commercial enterprises amid poor infrastructure and absence of an agribusiness culture. This component therefore seeks to improve access through increased investment in rural roads, marketing infrastructure such as physical marketplaces, storage and processing facilities for crops, livestock and fisheries, and energy. Labor-saving transitional devices and technologies will be provided to increase productivity and reduce drudgery, financial services will be made available, accessible and affordable, and the skills and knowledge of producers and other rural dwellers will be improved in a bid to link them to domestic, regional and international markets.

SUB-PROGRAMS

I. REHABILITATION AND EXPANSION OF RURAL ROADS

Target: To rehabilitate and upgrade the network of rural roads which are of major importance to agriculture. At least 250 km of feeder roads are to be rehabilitated/constructed in five years.

Activities:

- (i) Assessment of strategic rural roads linking major production areas to markets;
- (ii) Formulation of a policy on construction, rehabilitation and maintenance of rural roads;
- (iii) Construction and rehabilitation of strategic rural roads into all-weather roads

2. RURAL AGRICULTURAL INFRASTRUCTURE AND ENERGY

Target: To improve market accessibility of agricultural products through the construction and operation of rural agricultural infrastructure such as modern marketplaces, storage and processing facilities and development of renewable energy resources.

Activities:

- (i) Rehabilitate and construct a minimum of four permanent, modern market structures in each district;
- (ii) Support the private sector in establishing a slaughterhouse and cold-chain facility in each county;
- (iii) Facilitate the provision of storage and processing facilities for staples such as rice, cassava and tree crops including oil palm, cocoa and coffee in each district; and
- (iv) Support the development and utilization of a renewable energy source in each county within five years.

3. RURAL FINANCIAL SERVICES

Target: To increase the share of total commercial bank credit allocated to the agriculture sector from 5% to at least 15%, and expand the accessibility of farmers and farm-based organizations to formal rural financial services in five years.

Activities:

- (i) Develop appropriate institutional arrangements to extend credit to the rural sector, particularly agriculture;
- (ii) Create awareness among farmers and farming groups of rural financial schemes; and
- (iii) Establish credit guarantee schemes for producers and farm-based organizations.

4. LABOR SAVING INTERMEDIATE DEVICES AND TECHNOLOGIES

Target: To enhance productivity and expand acreage through small-scale mechanization by formulating a targeted mechanization strategy that encourages and supports

individual farmers, farm-based organizations and other private sector entities in the acquisition and utilization of transitional devices and technologies throughout the value chain.

Activities:

- (i) Assess rural labor markets to determine challenges and opportunities for labor-saving intermediate technologies;
- (ii) Formulate and implement an agricultural mechanization strategy;
- (iii) Establish an Agricultural Engineering Unit (mechanical and civil) at MOA to support public-private partnerships in the provision of mechanization services;
- (iv) Disseminate information on improved technologies to small farmers; and
- (v) Make labor-saving intermediate technologies and devices available to eligible farmers and farm-based organizations.

5. MARKET AND ENTERPRISE DEVELOPMENT

Target: To rebuild and commercialize value chains using various approaches including out-grower schemes that link commercial entities and smallholders in an effort to increase agricultural productivity and farmer incomes.

Activities:

- (i) Strengthen farm-based organizations to access services, credit, improved storage and processing facilities and markets;
- (ii) Develop agribusinesses along commodity chains to facilitate value addition and link farmers to input and output markets;
- (iii) Develop and improve knowledge of market information systems and quality control measures and standards; and
- (iv) Develop, train and adopt productivity enhancement technologies including propagation and use of high quality seeds, seedlings and fingerlings.

Cost: The estimated cost of this investment program is \$115 million. The components and associated costs are shown in the table below:

Cost of PRS/LASIP Program 3: Competitive Value Chain and Market Linkages (\$ millions)	
Sub-programs	Cost
1. Rehabilitation and expansion of rural roads	60.0
2. Rural agricultural infrastructure and energy	27.0
3. Rural financial services	4.5
4. Labor saving intermediate devices and technologies	13.5
5. Market and enterprise development	10.0
Total	115.0