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# Access to mechanisation – driving African agri growth

by **Press Office** on '20 August 2017'



Joseph Bergin, a Senior Partner at Phatisa, led the due diligence trip to West Africa in August 2015.

PRESS OFFICE: **Phatisa**

**Food security is one of the most critical challenges facing Africa today. The continent imports food staples valued at about US\$35bn annually, primarily due to lack of optimal food production-supply-consumption chains. Value addition and**

**agricultural commodity crop processing levels are low, and post-harvest losses in sub-Saharan Africa average 30% of total production, meaning the region loses over \$4bn annually. Low output means low savings, leading to low demand for mechanisation and increasingly low productivity.**

The African Union Commission-Food and Agriculture Organisation reported in 2016 that over two-thirds of sub-Saharan African farms rely solely on human power and, on average, there are just 13 tractors per 100 km<sup>2</sup> of arable farmland. In some sub-Saharan countries the number dips to under one tractor per 100 km<sup>2</sup>. Compounding the issue, tractor rentals for land preparation are unaffordable for most farmers. Additionally, second-generation equipment ownership currently has negligible formal finance, service and parts support.

One African company that understands these issues and is committed to providing best-quality, purpose-fit equipment for farmers is **Kanu Equipment**, a leading African heavy-equipment supplier. Global leading agriculture brands like Case IH, Bell and Liebherr have entrusted Kanu with the distribution and maintenance of their equipment in the markets where they operate.

The competitive advantage of Kanu Equipment is their dedication to offering customers end-to-end on-the-ground support, to the extent that the company's slogan is "Experience the Support". This includes customer needs assessments, pre-sales advice, and after-sales support through easily accessible spare parts, backed by unparalleled on-shore technical service.

With a strong agriculture focus supported by prominent original equipment manufacturers, Kanu Equipment operates in Côte d'Ivoire, Congo, Cameroon, Ghana, Sierra Leone, Liberia, Guinea, Zimbabwe, Kenya, Tanzania and Botswana.

Stephen Smithyman, Chief Executive Officer of Kanu Equipment, commented that "the ingredients needed to transform Africa's agriculture include the availability and expansion of infrastructure and technology, with access to affordable high-quality machinery, extension services, local training, parts availability, as well as finance options. This is where Kanu comes into play."

Pan-African private equity fund manager and Kanu's equity partner, **Phatisa** has recognised mechanisation as a rewarding commercial enterprise, ideal for local and international investors because of the value it adds to inputs and, ultimately, the food value chain.

Kanu Equipment, with the support of Phatisa, is currently in the scoping phase for a micro-entrepreneur-led initiative. The Hummingbird Project, to expand Kanu's spare parts

distribution channel across the continent, assesses the feasibility and potential impact on micro-entrepreneur incomes and job creation, factors that play a significant part in inclusive growth.

The agriculture sector is key to achieving inclusive growth in Africa. As African development moves towards long-term, sustainable food production, the continent will rely on trusted suppliers of heavy equipment to play their part in establishing sustainable food production-supply-consumption chains. It's time to get on board.

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📌 **agriculture, Kanu Equipment, Mechanisation, Phatisa, Stephen Smithyman**