Emerging Insights from Regional Cassava Value Chains

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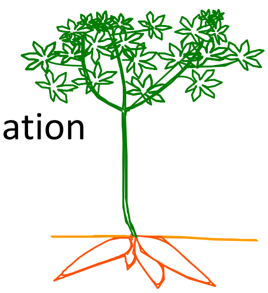
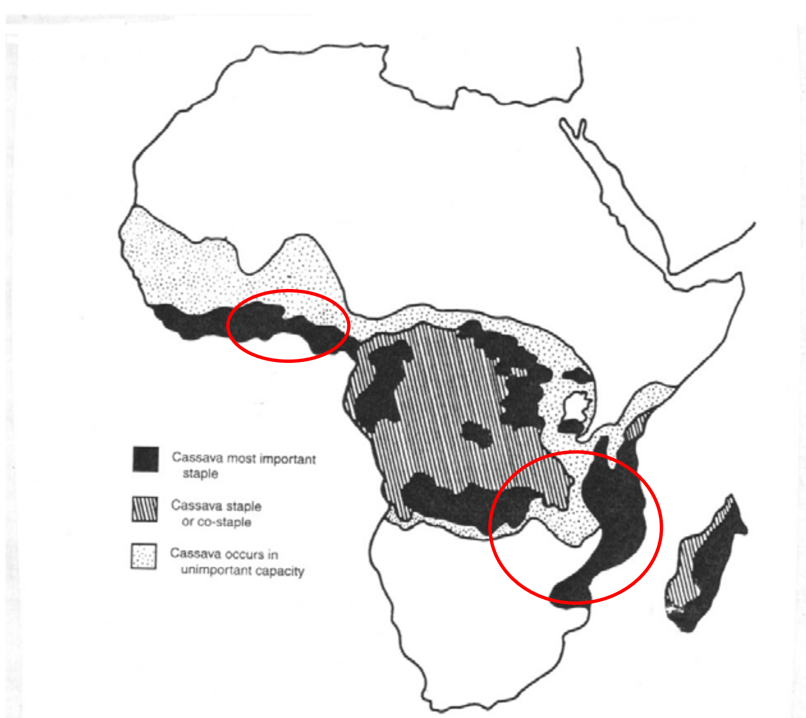


Africa's cassava belt



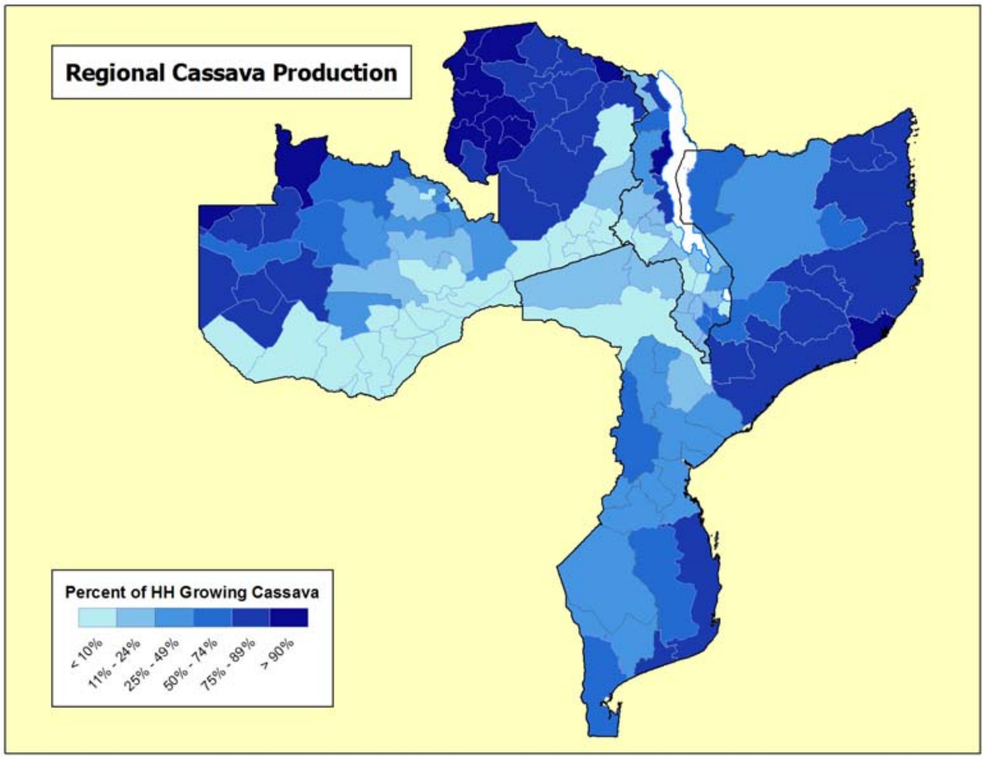
Insights from cassava value chains

1. Risk management
2. Regional differences in cassava commercialization
3. Bottlenecks

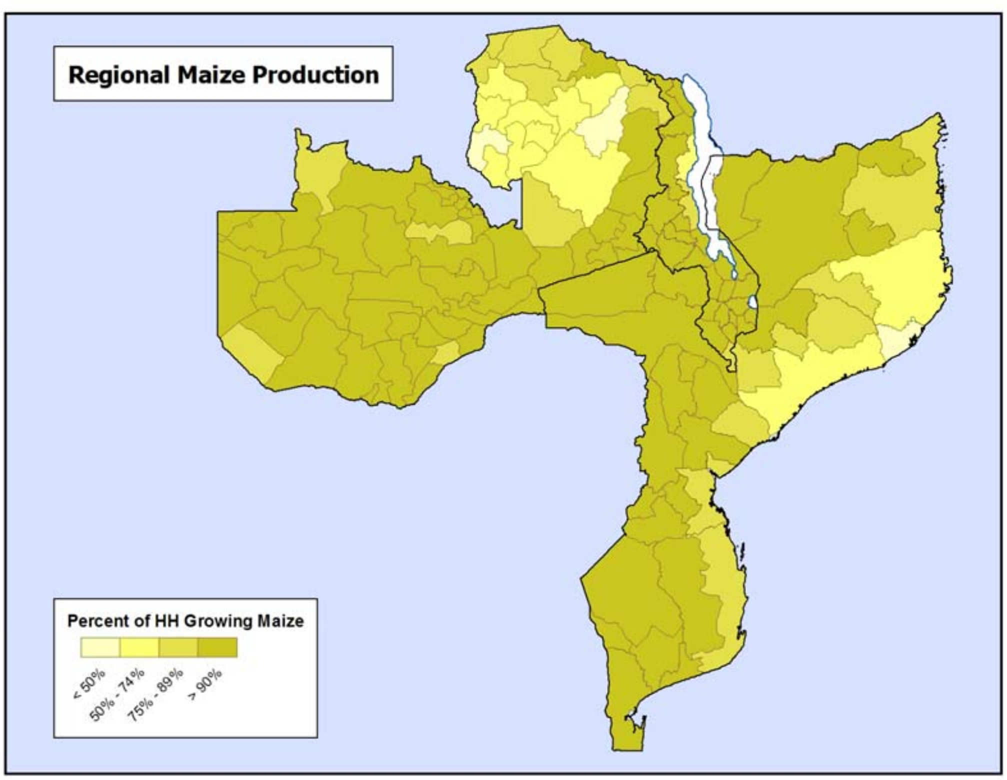
1. Cassava as a risk management tool

- Consumer substitution among food staples
- Seasonal and spatial price stabilization
- Feed substitution among carbohydrate sources
- Farm flexibility

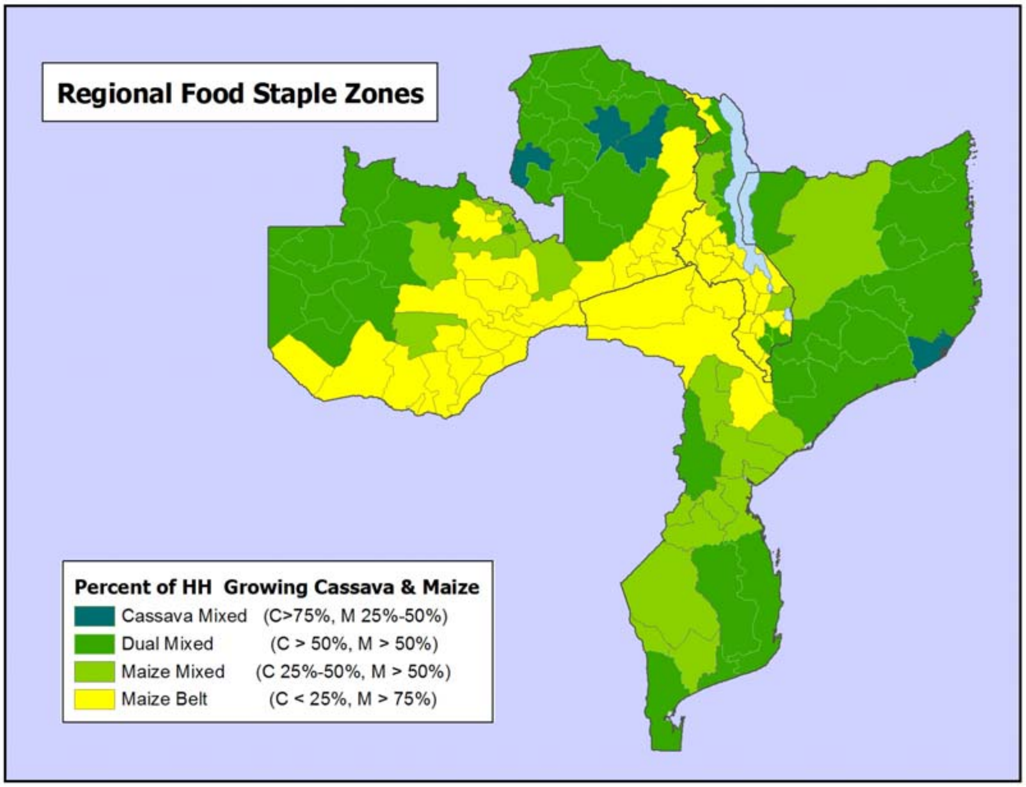
Cassava production



Maize production



Dual staple zones



Relative staple food prices

	Price cassava/ price maize
Cassava belt	0.5
Dual staple zone	.066
Maize belt	1.2

Consumer substitution in dual staple zones

Northern Zambia, a dual-staple zone

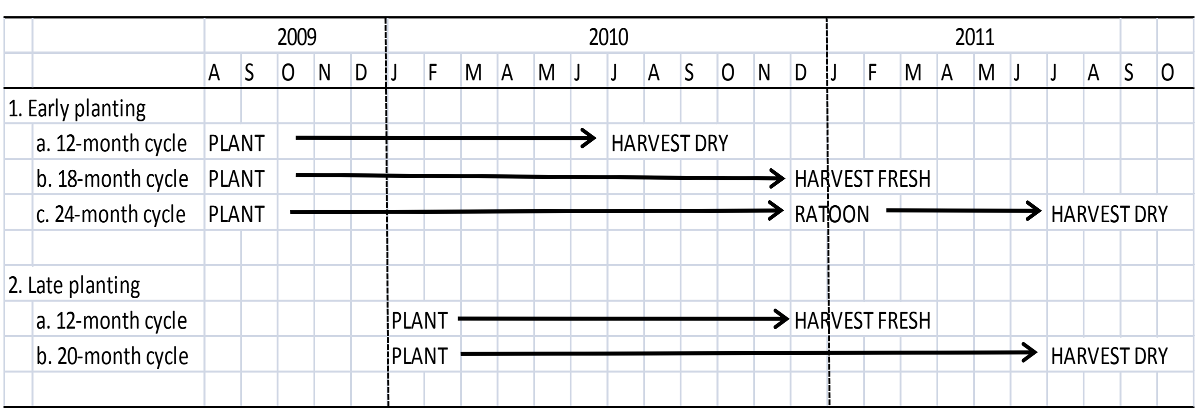
('000 tons of maize equivalents)	Dual staple zone	Maize belt	All Zambia
Cassava	270	12	282
Maize	***376***	525	901
Cassava plus maize	646	537	1,183

Cassava substitution during maize shortfall years in Zambia

30% fall in maize prodn	Closed border	Open border
Maize price	+163%	+36%
Poor household consumption ('000 tons of maize-equivalents)		
Maize	-100	-43
Cassava	+43	+11
Total	-57	-33

Source: Dorosh, Dradri and Haggblade (2007)

Flexibility of cassava calendars



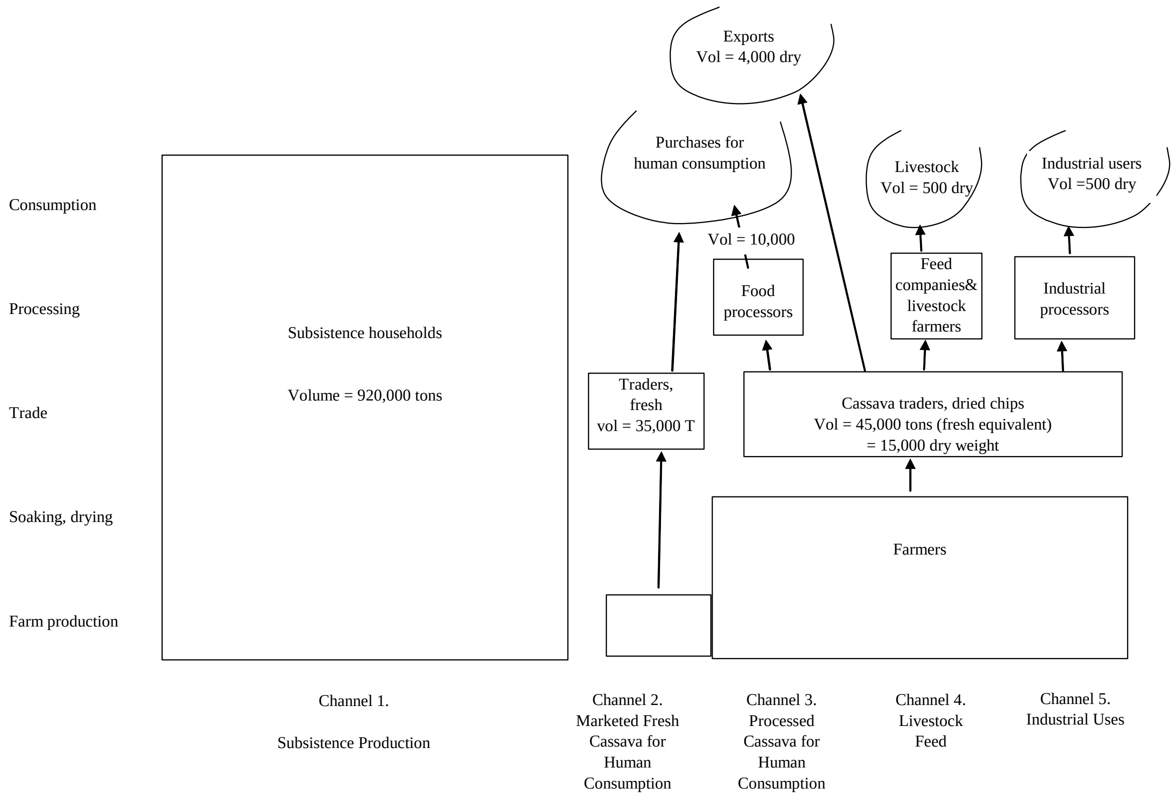
Seasonal and spatial price arbitrage




Insights from cassava value chains

1. Risk management
2. **Differences in cassava commercialization: West vs. Southern Africa**
3. Bottlenecks

Zambia's cassava value chain



Channel 1. subsistence production

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Channel 2. Fresh sweet marketing

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Channel 3. Dried foods (chips and flour)

Channel 3. Dried foods (Gari)

Channel 4. Feeds

Channel 5. Industrial starches, sweeteners, ethanol

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Differing cassava value chain structures

Channel	Malawi	Moz.	Zambia	Nigeria
1. Subsistence	73%		90%	20%
2. Fresh sales	20%		3%	20%
3. Dried foods	5%		5%	45%
4. Feed	1%		1%	10%
5. Industrial products	1%		1%	5%
Total	100%	100%	100%	100%

Insights from cassava value chains

1. Risk management
2. Regional differences in cassava commercialization
3. **Bottlenecks to cassava commercialization in Southern Africa**

3. Bottlenecks to cassava commercialization in Southern Africa

- Scaling up processing technology
- Food safety
- Achieving critical mass of marketed volumes
- Managing seasonality
- Policy impediments

Scaling up processing technology

Scaling up processing technology

Food safety

Achieving critical mass

Managing seasonality

Policy impediments

	2004	2005	2006
FRA cassava purchases (tons)	570	2,550	2,400
FRA price (Kw/kg)	700	500	500
Market price (kw/kg)			300

Constraints and solutions

Constraints	Solutions
Scaling up processing technology	M.Sc. training in food technology
Food safety	M.Sc. training in food technology
Achieving critical mass in marketed volumes	Multiple, medium-scale processors
Managing seasonality	Processors grow 50% of input requirements
Policy impediments	Keep governments out of cassava markets!


ZIMBABWE

Cassava starch factory,
South Africa