

# INVESTORS TURN TO AFRICAN AGRICULTURE - VIEIRA DE ALMEIDA & ASSOCIADOS

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**Though oil and gas have been the main areas of interest for foreign investors in Africa, agriculture is becoming increasingly appealing, with entities from Brazil and China leading the charge.**

The two economies have ever-growing populations but limited land to develop food. The demand for produce, like rice, soya bean and ethanol, continues to soar so investors are looking to countries such as Ethiopia, Angola, Mozambique and Ghana for agriculture investments.

Eduardo Lobo Martines, Head of Business & Practice Brazil at Vieira de Almeida & Associados, says investors are looking at the entire agriculture chain for opportunities. "Such investments combine with the Comprehensive Africa Agriculture Development Programme, which is an African Union initiative to improve food security, nutrition, and increasing incomes in Africa. The aim is to increase growth in agriculture by six percent annually."

Lobo Martines says the African agriculture sector faces many challenges, including choosing the most suitable development model. They usually take two general forms – large-scale, mechanised

commercial farming and small, family farming.

"It is very important, however, that whatever model investors choose they make sure that they work with domestic suppliers, companies and people who know the local market and the local production structure," Lobo Martines says. "They need to include local communities in the process, otherwise it will not work in the future."

There are challenges and risks involved that vary from country to country, such as land and property rights, state interference, political risk, governmental red tape, cultural differences, as well as a lack of infrastructure. However, Lobo Martines remains positive. "There are opportunities and agriculture can be the platform for further growth in exports and infrastructure."