Towards a Model of “patient procurement“: Leveraging Mining Infrastructure and Procurement Needs for Robust and Enduring Agricultural Supply Chain Productivity & Development

The African Mining Vision (AMV) Action Plan clearly identified opportunities for cross-linkages between the extractive industries and other areas of the economy in order to create lasting benefits and more robust and resilient economies. Murdoch University has received funding through the Australian Development Research Awards Scheme (ADRAS) to explore linkages between mining industry investments and the agricultural sector. The linkages can occur during all phases of the mine, including exploration, mineral project construction, operations, and post-decommissioning, and can lead to two positive outcomes:

1) The creation of new local markets in the form of a mine workforce coupled with a ‘patient procurement approach’; and
2) The deployment of dual or multi-use infrastructure that creates new supply chain possibilities for agricultural inputs and other market (including export) development.

Purpose:

Many mining operations do not procure from local farmers for feeding mining personnel, and instead source from ‘out of area’, or ‘out of country’ suppliers. To be able to supply mining procurement needs, local farmers must be enabled to successfully adopt suitable technology and knowledge, which often requires simple investments for transferring existing technology and infrastructure. Without such technology and knowledge many rural agricultural producers are unable to meet quality, reliability, safety, and consistency standards of commercial operators, even when market access exists.

The Project:

This project arises out of more than 2 years of in-depth discussions, including three conferences hosted by Murdoch University (The Africa Australia Research Forum, held in conjunction with the Africa DownUnder mining conference in Perth). The discussions attracted numerous mining, government, university, agricultural industry, and NGO representatives from African nations and Australian participants with a strong interest in Africa, and discussed several aspects where mining interfaces with agriculture.

This project evolved as a collaboration between Murdoch University, the Australian Centre for International Agricultural Research (ACIAR), the Australia-Africa Mining Industry Group (AAMIG), the University of the Witwatersrand, the African Technology Policy Studies Network (ATPS), the Beira Agricultural Growth Corridor in Mozambique (BAGC), Curtin University, James Cook University, the Crawford Fund, the International Mining for Development Centre (IM4DC), and Planet Minerals (a member of AAMIG).

This project rationale is based on recommendation 14 of the ‘Government Response to the Report of the Joint Standing Committee on Foreign Affairs, Defence and Trade: Inquiry into Australia’s relationship with the countries of Africa’, “The Government should promote [CSR] and continue to promote the [EITI] principles and other [CSR] instruments to the Australian mining sector, in particular at the Africa DownUnder Conference, and especially to new entrants and small operators”. All of which is a major foci of the African Australian Research Forum held at Africa DownUnder: to improve institutional capacity for a socially and environmentally responsible mining sector.
Research Questions:

- What are effective modes of mutual engagement in Africa between mine operations and local agricultural interests to create new and enduring opportunities for local agricultural supply chains?
- What are the major impediments to local food procurement for the extractive industries and what policy settings are required to facilitate long-term partnership success between the agricultural and extractive industries?
- Can the presence of an exploration and or mining activity jump-start agricultural development and serve as a foundation for the creation of a diversified commercial agricultural sector?

Outputs/Deliverables:

- Research reviews of selected successful modes of engagement of mining companies in target countries that have empowered local agricultural supply chains over time.
- Strategies where mining companies may be able to become a long-term partner to support robust agricultural development without ongoing donor agency assistance.
- Detailed understanding where a mining company can co-support commercial agricultural activities in subsistence agricultural regions to increase and sustain productivity at the high procurement standards required.
- Convene high-level policy round tables under the auspices of the Crawford Fund and the Africa Australia Research Forum in August 2013 in Perth and in Mining INDABA, Cape Town in February 2014.

Project Outcomes:

- Understanding of successful methods and modes of engagement for mine operations to empower local agricultural supply chains to leave a permanent legacy (beyond the end of mine life) for agricultural systems.
- Strategies for mining companies to become long-term partners to support independent and commercial agricultural development that is both robust and enduring.
- Knowledge of how mining operations can procure appropriate qualities and quantities of agricultural produce to support the transition from subsistence to commercial agriculture.
- Policies to improve the enabling environment for such initiatives.

Engagement Opportunities:

- Murdoch University invites contact from governments, industry, and civil society in target countries (Mozambique and Nigeria).

Contact Information:

Prof. John Howieson, (Principal Investigator) Murdoch University +61 8 9360 2231  
J.Howieson@murdoch.edu.au
Mr. David Doepel, Murdoch University +61 4 1891 2287 d.doepel@murdoch.edu.au
Dr. Mark McHenry, Murdoch University +61 4 3048 5306 mpmchenry@gmail.com
Dr. Hudson Mtegha, University of the Witwatersrand +27 76 105 6484 hudson.mtegha@wits.ac.za