



workshop results

FOOD OR CASH?

Trade-offs between support for food and non-food agricultural production

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main issue

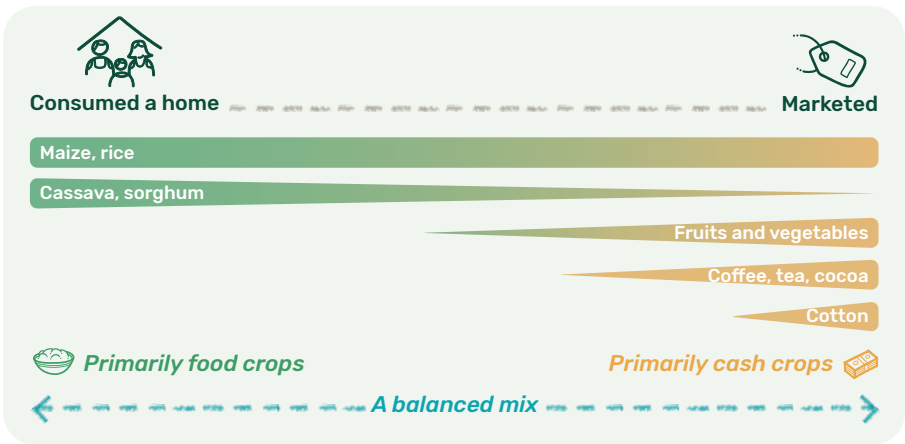
The **debate over cash crops versus food crops** reflects a critical challenge in agriculture: **balancing economic growth with food security and environmental sustainability**. Cash crops such as coffee and cotton may generate income, drive exports, and improve livelihoods by enabling access to diverse food, education, and healthcare. However, they may also divert resources from local food systems, deplete natural resources as they tend to be grown as monocrops, and expose smallholder farmers to volatile global markets. **For regions like sub-Saharan Africa, where food and nutrition security are already fragile, the question is whether the benefits of cash crops can outweigh their long-term risks.**

DID YOU KNOW?

*Crops can be placed along a continuum that spans from home consumption to market sale. This continuum helps understand the balance between crops for **self-sufficiency** and those for **economic gain**, showing the flexibility of agricultural systems in meeting both local and global needs.*

*The line between food crops and cash crops is **not always clear-cut**. Instead, crops can fall anywhere along this scale:*

- **Primarily food crops:** focused on self-sufficiency for the households.
- **Primarily cash crops:** aimed at economic gain through market sales.
- **A balanced mix:** combining both, offering food security and income opportunities.



Source: Wageningen Social & Economic Research

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key takeaways

1} Sub-Saharan Africa's agricultural landscape is shaped by wide macro variations in food production and import reliance

Food security is often thought to depend on national food production and import independence. Yet, food insecurity is a far more complex issue, shaped by factors such as climate change, rapid population growth, poor infrastructure, and low agricultural productivity. As urbanisation and economic growth drive demand for diverse, nutritious foods, addressing this challenge will require boosting farm productivity and strengthening supply chains to ensure food remains available, accessible and affordable.

2} Tackling food insecurity means mainstreaming it throughout the value chains while implementing ecosystem-based safeguards at every stage

Food and nutrition security relies on a holistic approach that goes beyond production. Building community resilience through climate-smart land management, ensuring local food availability, addressing the negative effects of processed food, and ensuring environmental sustainability are key components. Experience shows that it also involves improving food management and raising awareness of food and nutrition security among agricultural value chain actors and final consumers, fostering territorial market interactions (e.g., Agriterra's [Acting Now programme](#)).

3} Unlocking the potential of cash crops for food security requires a context-driven strategy

Research suggests cash crops yields can improve the food security of farming communities through market system development (i.e., increased access to markets, technical training, and financial support). However, evidence from the field shows that increased income from cash crops does not necessarily improve household food security (as illustrated by Agriterra's baseline study on shea production in Northern Ghana). Indeed, cash crops may induce major shortcomings from a local perspective, including unequal distribution of wealth – particularly for small-scale farmers lacking assets or market power – and degradation of ecosystems. Yet, negative environmental externalities can be mitigated by long-term funding that ensures the commitment of value chain actors, incentive that reward results and technical assistance (e.g., Incofin's [Fairtrade Access Fund](#)). Ultimately, it is essential to continuously assess how cash crop cultivation aligns with the natural, social, and economic environment to ensure that it enhances food and nutrition security.

4} Blended investment makes it possible to invest in food crops


While the conventional approach of international investors consists in focusing on cash crops markets – due to their higher profitability, structured value chains, export potential, and stronger financial and policy support – blended finance initiatives explore the investability of nutrition by leveraging the benefits of improved food security for economic development (e.g., Incofin's [Nutritious Foods Financing Facility](#)). Investment diversification in various food crops as well as throughout the value chain, by also investing in food processing and local value addition, is a way to mitigate risks. Risks can be further mitigated by stimulating domestic markets with concessional capital funds or guarantees and by supporting local agricultural value chain actors with technical assistance.


5} Enhancing food security through diversification at multiple levels

Food security relies on a comprehensive approach, where both cash crops and food crop investments can make distinct contributions under varying conditions. From farming systems to investment portfolios, integrating cash crops and food crops (as well as livestock) helps mitigate risks and build resilience. This can be achieved by promoting intercropping and diversified farming at the farmer level, by encouraging production diversification within organizations, by expanding portfolio diversity, and by securing varied funding sources through strategic partnerships. More than selecting the crops to support, it is essential to understand the context and surrounding ecosystem to ensure that the intervention approach to food security remains effective, sustainable and environmentally sound.

FURTHER INFORMATION

[“Food or Cash? Trade-offs between support for food and non-food agricultural production”](#),
Wageningen Social & Economic Research 

[The State of Food Security and Nutrition in the World 2024](#) 

[Household Food Insecurity Access Scale \(HFIAS\) for Measurement of Food Access: Indicator Guide](#) 

SSNUP programme aims at increasing the productivity and resilience of smallholder farmers in Africa, Latin America and Asia thanks to improved risk management and the promotion of sustainable, climate-smart farming practices. As a result, this programme will not only improve the food security and living standards of smallholder farmers' households, but it will also contribute to the development of sustainable agricultural value chains. Regular SSNUP workshops enable stakeholders to exchange their experiences on project-related challenges and solutions and to share the lessons learned. Workshops can also be organised on more generic topics of interest.

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