AFRICAN UNION
INTERAFRICAN BUREAU
FOR ANIMAL RESOURCES

NATIONAL GUIDELINES FOR INITIATING AND OPERATIONALIZING PUBLIC-PRIVATE PARTNERSHIPS (PPPS) IN THE FEED AND FODDER SECTOR

2025



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1. Background

The availability, accessibility, and affordability of quality feed and fodder increasingly constrain livestock production in Africa. This constraint is particularly severe in arid and semi-arid lands (ASALs), where traditional rainfed systems are insufficient to meet the growing demand. Despite recognition of the problem, investment in high-impact feed infrastructure, such as irrigation schemes, fodder storage depots, and mechanisation centres, remains low. This is mainly due to the capital-intensive nature of such investments and their more extended time horizon to reach profitability.

Public-Private Partnerships (PPPs) present a promising strategy to bridge this gap. Governments can leverage public assets, such as land, existing irrigation canals, or extension services, while private sector players bring investment, technology, and operational efficiencies. PPPs are particularly useful for high-capex ventures that have a public benefit but may not attract standard commercial financing.

2. Rationale for PPPs in Feed and Fodder

i) **Unlock High-Capex Infrastructure**: Storage facilities, silage bunkers, irrigation schemes, and mechanization hubs require significant capital that traditional fodder producers may lack.
ii) **Address Seasonality**: PPPs can build infrastructure that smooths out seasonal fodder deficits, reducing livestock losses during droughts or dry seasons.
iii) **Utilise Public Assets Productively**: Government-owned land, water infrastructure, and research assets can be put to productive use in partnership with the private sector.
iv) **Improve Livestock Productivity**: By unlocking sustained access to quality feed, PPPs can drive gains in meat, milk, and hide yields across livestock systems.
v) **Attract Climate and Development Finance**: PPPs demonstrate structured, transparent partnerships that are attractive to impact investors and climate funds.

3. Standard Guidelines for Initiating and Operationalizing PPPs

These guidelines can be adapted by African countries seeking to utilise PPPs as a vehicle for transforming the feed and fodder sector.

Step 1: Identify High-Capex Bottlenecks in the Feed and Fodder Sector

Conduct sector mapping to identify the feed and fodder value chain constraints that require infrastructure investment.

Sector mapping should be coordinated at the national and sub-regional levels to highlight areas where physical, financial, or logistical gaps are constraining growth and resilience. Key infrastructure-related bottlenecks that merit PPP consideration include:

i) **Dry-season feed storage infrastructure**: Many African countries suffer from high dry-season feed deficits due to the lack of hay barns, silage bunkers, or feed banks. For example, in Sahelian countries such as Niger or Mali, seasonal fodder surpluses are often lost due to poor preservation, resulting in animals suffering during the dry season. A PPP model could develop regional storage and baling centers linked to farmer cooperatives or municipal land.

ii) **Irrigation schemes dedicated to fodder**: In arid zones of Ethiopia, Namibia, or Somalia, traditional rainfed fodder systems are unreliable. Public provision of land and water rights, combined with private sector investment in solar-powered drip irrigation for fodder crops such as Sudan grass or Brachiaria, can create a year-round feed supply. These schemes can be anchored in riverine lands or rehabilitated irrigation infrastructure.

iii) **Mechanization and aggregation hubs**: In countries like Zambia, Tanzania, or Burkina Faso, large tracts of potential fodder-producing land are underutilized due to lack of mechanization. PPPs can be used to establish regional fodder mechanization hubs offering choppers, mowers, bailers, and transport services through lease-to-own or pay-per-use models, particularly benefiting emerging fodder entrepreneurs and women's groups.

Prioritize projects with public-good characteristics.

When selecting and designing PPP projects, governments and regional bodies should prioritise those that generate developmental outcomes in addition to commercial returns. Key examples include:

i) **Projects that improve food and livestock security**: In countries such as Sudan or Chad, fodder corridors can serve as both production zones and emergency supply routes. A PPP-established fodder depot along transhumance routes can serve both commercial markets and emergency response during drought or conflict. These interventions support livestock survival, pastoral livelihoods, and the stability of the food system.

ii) **Projects that create employment and inclusive economic opportunities**: In **Uganda or Mozambique**, youth-led cooperatives can partner with the government and private investors to develop silage packaging units or seed multiplication enterprises. These ventures provide employment opportunities in rural areas, particularly for women and young people, while establishing local supply chains for fodder.

iii) **Projects that stabilize livestock and dairy markets**: In **Botswana or Côte d'Ivoire**, the dairy and beef industries often face cyclical price volatility linked to feed availability. Strategic PPPs in feedlot infrastructure or contract fodder farming schemes can help even out supply cycles. Governments can support these PPPs through policy incentives and market linkages to national food processors and export-oriented meat enterprises.

Step 2: Develop Enabling Policy Framework

i) Review national PPP policies and ensure agriculture, livestock, and land use policies explicitly permit and support PPPs in fodder production.

ii) Develop a policy note or directive permitting the allocation of public land for livestock feed development under PPP arrangements.

iii) Design incentives (e.g., tax holidays, access to credit guarantees, subsidized water tariffs) for private investors engaging in fodder PPPs.

Step 3: Structure the PPP Project

i) Define the PPP model, e.g., Build-Operate-Transfer (BOT), Joint Venture, Lease/Management Contract, or Concession.
ii) Clearly outline the roles of the public and private partners: land, financing, technology, operations, and market access.
iii) Prepare a feasibility study detailing expected returns, social benefits, risk allocation, and timelines.

Step 4: Develop Legal and Contractual Instruments

i) Draft a transparent PPP agreement, specifying land tenure terms, performance obligations, duration, revenue sharing, exit clauses, and dispute resolution mechanisms.
ii) Ensure alignment with national land use and procurement laws.
iii) Include clauses on sustainability, community benefits, and climate resilience practices.

Step 5: Mobilize Investment and Implementation Support

i) Engage development finance institutions (DFIs), climate funds, and blended finance instruments to de-risk the private sector's investment.
ii) Set up a PPP facilitation unit within the Ministry of Agriculture or Livestock to guide and monitor implementation.

Step 6: Monitor, Evaluate, and Report

i) Establish a performance monitoring framework with measurable KPIs (e.g., hectares under fodder, volumes stored or sold, price stabilization impacts).
ii) Conduct joint reviews and public reporting to ensure accountability and transparency.
iii) Facilitate learning and replication by documenting best practices and challenges.

4. Case Study: India's PPP in Fodder Park Development (Andhra Pradesh)

In Andhra Pradesh, India, the government initiated a PPP model to establish a **Fodder Park** on public land leased to a private operator. The project aimed to increase year-round fodder supply by cultivating high-yield fodder crops using drip irrigation, and included silage production and mechanized harvesting.

i) **Public Contribution**: Provided 500 acres of land under a 30-year lease, subsidized drip irrigation, and technical extension services.
ii) **Private Contribution**: Invested in land development, drip systems, tractors, silage compactors, and distribution networks to serve livestock farmers.

iii) **Outcome**: The Fodder Park became a consistent source of green fodder and silage, reduced feed prices by 25% during dry spells, and created over 200 jobs in rural areas.

This model demonstrates how the targeted use of public land, long-term lease agreements, and clear risk-sharing can catalyse private investment in fodder infrastructure with a broad development impact.