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When Private Equity Discovered African Agriculture

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ABSTRACT

Chapter 21 provides a critical examination of the current state of private equity (PE) investments in African agriculture. The chapter contextualizes the nature of financing, infrastructure and yield gaps that are widely quoted as reasons for the widespread entry of institutional investors, including PE capital, into African agriculture. In particular, it engages the body of literature on PE projects in Tanzania by drawing on a case study of an impact investment in the dairy subsector. The authors' findings indicate that current investment narratives minimize the negative aspects of the PE model and ignore the fact that, in theory, the capital problem in African economies would be much less severe if large amounts of capital did not leave the continent through extractive economic and fiscal arrangements.