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Digitalization in the Agribusiness Value Chain and Payment Systems: Evidence from Sub-Saharan Africa

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Abstract

ABSTRACT The African agribusiness sector and those of other developing regions of the world are characterized by disorderly patterns in the value chain system. The agriculture market in Africa has enormous potential with an anticipated size of \$1 trillion by 2030. However, the average African farm performs at only 40% of its potential. Also, consistent increase in population size and a consistent growth rate of above 2.5% in the region create dire concern for food availability. This study examines the extent to which digitalization affects agribusiness value chain and the payment system in the sub-Saharan African region. The descriptive and pooled ordinary least square regression analysis was employed to determine the statistical significance of digitalization on the payment system and agricultural productivity in the region over the period 2000 to 2019. The results revealed that digitalization has a significant impact on agricultural productivity for the region. The study recommends a wholesome utilization of

blockchain technology to ensure better farmland usage, improved access for all stakeholders in the value chain framework, enhanced productivity, food security, and reduced extreme hunger and poverty. This will ensure that Africa will become empowered to feed itself and use its competitive advantage of good weather, arable land, labor, and water to compete globally.

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