

## Food Security in Africa through Trade

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### The dilemma of poor countries' agriculture

#### Structural constraints on African development:

- Predominance of subsistence agriculture
- Small size of domestic markets
- Remoteness from world markets and high transport costs
- Lack of domestic economic integration
- Narrow export bases relying on primary commodities
- Competition from food imports, many of them subsidised
- Severe constraints on foreign exchange
- An unfavourable environment for local capitalists
- Vulnerability to risk, especially in rural areas

### Food deficits

- There are 41 “low-income food-deficit countries” in Africa
- and 48 LIFDCs among the 50 LDCs
- ▶ They import food to a greater nutritional value than the food they export
- but daunting foreign exchange constraints in countries that depend on declining export commodities and foreign aid

### Adverse trade in staple food crops

Net imports to sub-Saharan Africa  
 ('000 metric tons):

	1990	2003
Maize	15	1,418
Rice (milled paddy)	2,512	3,513
Wheat and wheat flour (wheat equivalent)	4,661	10,328

(Source: FAO)

### But has African agriculture failed?

African production of *non-traded* staple foods:

- **Cassava:** 70m tons in 1990, 102m in 2003
- **Millet:** 10.6m in 1990, 14.8m in 2003
- **Sorghum:** 11m in 1990, 22.3m in 2003
- **Yams:** 20m in 1990, 38m in 2003

- ▶ How can this translate into reduced poverty, and into export markets?

*“The greatest market potential for most African farmers still lies in domestic and regional markets for food staples (cereals, roots and tubers and traditional livestock products)...*

*“There are no other agricultural markets that offer growth potential on this scale and which could benefit huge numbers of Africa's small farmers.”*

Peter Hazell (IFPRI)

## Regional trade integration

Integration of regional markets → outlets for increased grain production

- Staple cereals were the largest element of intra-SSA trade in 1996-2000: \$310m annually
  - More than 50 per cent of maize imports came from other SSA countries
  - mostly within the same sub-region
  - 60 per cent of East Africa's maize imports were intra-regional
- significant trade exists in sorghum and millet in West Africa
  - between Niger and Nigeria
  - exports from Sahelian countries to Côte d'Ivoire
- ▶ complementarities in food production and consumption between countries within a region

## Sub-regional trade

Build on such trade within sub-regions of Africa

- different staples predominate in different parts of the continent
  - maize in Southern Africa
  - bananas in parts of East Africa
  - sorghum, millet and cassava in West Africa
- production capacities and consumption needs vary within those regions
- ▶ This would exploit the strengths of poorer and smaller farms
- and work with the grain of comparative advantage

## Developmental advantages

- This could lead to economies of scale
- at a level of technology which is consistent with that of the producers
  - in products as well as logistical, managerial and marketing skills
- contrast the stringent demands made by *global* agricultural supply chains

## Issues to address

But it won't be easy... Address:

- Commercial and administrative institutions
- Poor communications
- Barriers to trade within and between countries
- Too *many* regional economic groupings
- Macro-economic compatibility between countries
- Standardised packing, grading and quality control
- Influence of European Partnership Agreements
- Bulkiness and perishability of many staple foods
  - ▶ need for more and better agronomic research