

Food price rises: Is regional trade the answer?



The on-going global rises in food prices have triggered more than the usual ministerial meetings and talk of an imminent crisis; hungry people in several developing countries have already taken to the streets to riot in protest, destabilizing a few governments in the process. Clearly there is reason for concern. But should we be as concerned in eastern and southern Africa as the global community appears to be? ‘Yes

and No’ was the conclusion reached by a group of researchers led by ASARECA (the Association for Strengthening Agricultural Research in Eastern and Central Africa), the Regional Strategic Analysis and Knowledge Support Systems (ReSAKSS) and the Consultative Group on International Agricultural Research (CGIAR).

In a study that will be released shortly, they point out that food expenditures constitute between 40 and 70% of total household expenditures in most countries in eastern and southern Africa indicating the huge impact food prices are having on inflation. This is cause for concern because most households in urban and rural areas are net buyers of food. On the other hand, while the FAO Global Food Price Index (FPI) jumped 56% year on year from March 2007, the FPI increases in this region were all below 40% and in most cases significantly lower—as low as less than 10% for six countries. One reason for this region’s relatively low food price rise is that people consume a wide range of different food items, many of which are not traded on the global market. The impact of global trading on food prices in the region is shown most starkly, the researchers contend, by wheat, which is almost entirely sourced from the world market and thus has risen in price accordingly. Local maize, on the other hand, one of the region’s staples, has a much weaker correlation with global prices. This is because most of the region’s maize needs are met outside the global markets: most people in eastern and southern Africa obtain their maize through domestic production and regional trade, informal as well as formal.

So while there is cause for worry over rising food prices, even if these rises are slower than at the global level, there is also cause to be optimistic about the future, thanks to the diversity of crops and livestock products produced and consumed in the region. The authors attribute much of the soaring food prices to the rising prices of fertilizer and fuel, underinvestment in rural infrastructure and research as well as various barriers—tariff and non-tariff—to trade in crops and livestock, which restrict the movement of agricultural commodities between countries.

They further point out that *volatility* of food prices is almost as much a concern as the general *rise* in prices: at any given time in the region, people in one area might be experiencing low food supply and high prices while another area is experiencing food surpluses and low prices. In a region that depends heavily on rain-fed agriculture, climatic variability coupled with poorly integrated markets are the primary causes of this volatility of food supplies and prices.

This may seem to paint a gloomy picture, but the authors point out that addressing these and related issues is very feasible and could reduce food prices in the region, while raising farm productivity and agricultural livelihoods. They spell out a series of short-, medium- and long-term measures – including improving regional trade - to increase food security by exploiting the heterogeneity of crop and livestock production, marketing and consumption in eastern and southern Africa.

The full report can be accessed at www.asareca.org or www.ilri.org, or by contacting either m.waithaka@asareca.org or j.karugia@cgiar.org, the lead authors of the report.

The collective action underpinning the research: This initiative is a joint effort among researchers from (in alphabetical order): ASARECA, CGIAR Centres, East African Grain Council, Ethiopian Development Research Institute, Economic & Social Research Foundation, Kenya Institute for Public Policy Research and Analysis, Plan for Modernization of Agriculture in Uganda, ReSAKSS and TEGEMEO Institute, who all responded in a timely manner with evidence-based policy options. This research was supported by the United States Agency for International Development, the International Development Research Centre, the CGIAR and ASARECA.

Newsbytes

CG releases list of best bet technologies

Responding to the food price and productivity crisis, the Alliance of the CGIAR has released a list of ‘best bet’ technologies; so far these are focused on plants only. Each of the 15 CGIAR Centres that constitutes the Alliance was asked for up to ten of the respective Centre’s or system-wide program’s most promising ‘best bets’ for boosting crop yields in sub-Saharan Africa. These best bet technologies are now being compiled by the Alliance into a database that provides the information in many different useful ‘views’ (e.g. by country, region, center or time-frame). The document can be downloaded here: http://www.worldagroforestrycentre.org/downloads/CGIAR_boosting_yields_ssa.pdf

Farm mechanization field day in Mozambique

International Rice Research Institute (IRRI) and the Institute for Investigation of Agriculture Mozambique (IIAM) conducted their first farm mechanization field day in Umbuluzi, in southern Mozambique, on Friday, 13 June. More than 40 people, including local equipment manufacturers and dealers, agricultural extension officers, IIAM research staff and farmers, benefitted from the demonstrations of small-scale equipment for rice production - including 2-wheel tractors, threshers, cleaners, a drum seeder, cone weeders, IRRI Super Bags, and the IRRI moisture meter. Full story: http://solutions.irri.org/index.php?option=com_content&task=view&id=295&Itemid=201

WARDA-IRRI Seed Production Training Course

Africa Rice Center (WARDA) and the International Rice Research Institute (IRRI) organized a training course on seed production in March 2008, in Benin. Fifteen participants from nine countries (Ghana, Gambia, Liberia, Nigeria, Ethiopia, Tanzania, Uganda, Zambia and Kenya) participated.

WARDA scientists gave seminars on seed production and characteristics of NERICA®, plant breeding strategy, seed systems, seed health, crop nutrient, integrated pest management, phytosanitary and SMTA protocol, and the rice research networks of Africa (ROCARIZ and ECARN). IRRI scientists covered rice and business and seed systems, the use of the Rice Knowledge Bank, crop establishment, water management and post-harvest technology.

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Newsletter team:
Ravi Prabhu, Michael Hailu, Rebecca Selvarajah-Jaffery, Susan MacMillan, Reagan Sirengo and Eric Ouma

Questions, comments, feedback? Please email:
r.selvarajah-jaffery@cgiar.org

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