

The Southern African Response to Food Security and the Global Food Crisis

Hilton E. Zunckel

2010

Abstract

This report examines Southern African policy responses to the food price increases observed during 2006–08, with reference to their rationale, objectives and instruments. It finds that Southern Africa experiences ongoing, long term food insecurity and that the global food crisis is simply a spike in this trend. The region's policy responses have been closely aligned to the continental Comprehensive African Agricultural Development Plan and have implications for regional trade, integration policies and food security concerns. The report is intended to inform the debate on devising a new set of policies and initiatives aimed at increasing the level of food security in the region, while taking into account the objectives of fostering trade and cooperation at the regional level, keeping economies open to international trade, and integrating sustainability criteria into the food security arena. A related aim is to identify the intersection between food security policies and the multilateral trade rules as they are unfolding in the context of the World Trade Organization's Doha trade round.

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The Southern African Response to Food Security and the Global Food Crisis¹

Hilton E. Zunckel

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1 This report was written in response to detailed terms of reference drawn up by the Trade Knowledge Network – Southern Africa. The author gratefully acknowledges the inputs of regional experts in the food arena, although overall responsibility for the work remains that of the author. The author can be contacted at: hilton@tradelawchambers.co.za.

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This study is part of a larger, multi-region TKN project that seeks to understand better the impacts of trade policy on food security. It includes country case studies and regional analyses from Latin America, Southern Africa and Southeast Asia. It was made possible through the generous support of the Swedish Environment Secretariat for Asia (SENSA) and the Norwegian Agency for Development Cooperation (NORAD). The project outputs are available on the TKN website.

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Abbreviations and acronyms

CAADP	Comprehensive African Agricultural Development Program
COMESA	Common Market for Eastern and Southern Africa
FAFS	Framework for African Food Security
FANRPAN	Food Agriculture and Natural Resources Policy Analysis Network
FAO	Food and Agriculture Organization of the United Nations
LDC	least developed country
MDG	Millennium Development Goal
NEPAD	New Partnership for Africa's Development
NFIDC	net food importing developing country
NFRA	National Food Reserve Agency
OAU	Organization of African Unity
RAP	Regional Agricultural Policy
SACAU	Southern African Confederation of Agricultural Unions
SADC	Southern African Development Community
SPS	sanitary and phytosanitary
Task Force	Ministerial Task Force on Food Security
UN	United Nations
U.S.	United States of America
USAID	United States Agency for International Development
USD	United States dollar
WFP	World Food Program
WTO	World Trade Organization
ZAR	South African rand

Executive summary

This report contextualizes the global debate on food security and policy response instruments and charts the broad contours of Southern African regional responses via the Southern African Development Community (SADC) under a wider continental response framework.

In Southern Africa, the 2006–08 global financial, food, fuel and feed crises have impacted significantly on the region's food and agricultural systems. A third of Africa's people suffer from chronic hunger, the highest ratio worldwide. Currently 298 million Africans, i.e. 31 percent of the continent's population, live on less than USD 1 per day. Efforts to reduce hunger in the Southern African region have been hampered by a range of natural and human induced disasters, including conflicts, the spread of HIV/AIDS and the global financial crisis.

In Southern Africa, generally speaking countries are in a more or less permanent food security crisis, and policy formulation and response are geared toward this reality on an ongoing basis. The region's response to the global food crisis is thus less of an out of the ordinary response than might perhaps be the case elsewhere in the world, but rather more of the same simply exacerbated by the accentuation of these conditions during the crisis. In examining the Southern African response, there is thus not a huge divergence between ongoing policies and responses and immediate reactionary responses to the food crisis.

For Southern Africa, the Comprehensive African Agriculture Development Program (CAADP) is the focal point for addressing the impacts of the crisis via a coordinated policy response. This is a New Partnership for Africa's Development initiative for which there is broad support in the region. CAADP focuses on four key pillars of intervention:

- Pillar 1: Extending the area under sustainable land management and reliable water control systems;
- Pillar 2: Improving rural infrastructure and trade-related capacities for market access;
- Pillar 3: Increasing food supplies, reducing hunger and improving responses to food emergency crises; and
- Pillar 4: Improving agricultural research and technology dissemination and adoption.

Under Pillar 3, CAADP has developed a Framework for African Food Security in an attempt to achieve an actionable food security agenda. The Pillar III framework identifies four key objectives that contribute to the goal of increasing resilience in vulnerable populations:

- improved risk management;
- increased supply of affordable commodities through increased production and improved market linkages;
- increased economic opportunities for the vulnerable; and
- better diets through diversification of food sources among the target groups.

CAADP has been used directly by African governments in designing the policy responses that each country has taken and in identifying which of these actions has worked well. The need to respond to the food crisis prompted the African Union to convene the Food and Nutrition Security Workshop to Accelerate Investments in Response to High Food Prices and Resulting Food Insecurity. The regional commonalities based on the consolidation of individual countries' actions were categorized into short and medium term policies, which are given in detail in the report.

When examining these policies, it is clear that there are no simple, single and direct solutions. While short term actions may be politically expedient and directly necessary at times, the correct approach would be to persist with the structural programmes aligned with CAADP. Regarding trade policy, export restrictions and taxes could aggravate price increases, encourage smuggling and impoverish local farmers. Lowering import tariffs was a more direct and first best option, but had the downside of possible reducing government revenues. Price controls could be counterproductive, while untargeted consumer subsidies could be extremely expensive for the fiscus. Inappropriate government agricultural policies could hamper the supply response, which could be further exacerbated by poor infrastructure and higher fertilizer and seed costs. Social welfare programs could be scaled up, but doing so would be ineffective without better targeting affected citizens so as not to dilute the impact of such programs by funding those who could sustain themselves. This highlighted the need for greater administrative capacity, which could also not be addressed in an ad hoc way. In short, policy respondents needed to balance protecting the poor and running the risk of macroeconomic instability.

The SADC approach to the world food crisis is dealt with under its Measures to Address Food Security in the SADC Region. This initiative and its allied policy document were drawn up by the Ministerial Task Force on Food Security (Task Force).

The Task Force report confirms that the 2006–08 food crisis is simply a spike in a wider, ongoing food crisis in Southern Africa. Cereal production, a proxy for food security, has stagnated since 1990, while population has grown and per capita dietary energy intakes have declined. Also, despite the 'enormous efforts' that SADC member states have taken towards sustainable economic and social development, on average over 40 percent of the region's population continue to live in 'abject poverty'.

The Task Force identified measures biased to favour small scale farmers, who constitute the bulk of farmers in the region. These include:

- better access to agricultural inputs, improved seeds and agricultural credit;
- the elimination of labour market constraint;
- the appropriate use of machinery;
- the immediate provision of safety nets;
- improved agricultural market access;
- greater land availability;
- diversified production;
- improved agricultural research and technologies; and
- better disaster preparedness.

SADC also intends to institute a strategic grain reserve of four grains, with livestock as a fifth product. However Southern Africa's continued attempts to use strategic grain reserves to help stabilize grain prices have undermined market incentives for private traders to perform normal trading functions that could otherwise have satisfied governments' food security objectives in most years.

The world trading system has generally helped to alleviate poverty in the WTO era, although some poor households have been affected negatively, even if poverty levels have been reduced on average. The studies surveyed found that rural households adjust better to agricultural price increases than urban households, because rural households can fall back on subsistence farming for consumption or even turn into net suppliers of agricultural products in a rising price market. This indicates why not only access to food is important, but also having the domestic capability to produce food, if this is based on comparative advantage linked to natural endowment, which is an attribute of the African agricultural sector. This provides a solid theoretical basis for challenging proponents of continued First World subsidization of agricultural exports.

Theoretically, the food crisis should have relaxed the key constraints on the final compromises necessary to reach an agreement on agricultural liberalization, based on the notion that when farmers are getting high returns from the market, it is unnecessary to augment their incomes with subsidies. High prices are expected to continue, so the need to subsidize First World farmers will also remain negligible. This should allow developing countries, especially in Africa, to respond positively and make Doha a success. However, the continued negotiating stalemate in the WTO proves that deep seated resistance to reform remains a factor in the Doha Development Agenda.

The agricultural sector is unquestionably critical to the SADC region as it plays a significant role in food security, job creation, poverty reduction, export revenue and rural development. What is clear, furthermore, is that in a period of rampant global commodity prices and a threat of shortage, domestic production to some extent has a calming effect on the domestic market price. For this reason, a trade policy agenda that weans Africans from subsidy dependence would be a sound approach.

In addition, short term assistance in response to a food crisis cannot replace the benefits that a long term food security strategy and related system will provide under CAADP. There is certainly a need for short term relief to relieve human suffering; however, in Southern Africa, which has been in a long term food crisis to varying degrees, it is crucial to retain a focus on long term solutions. CAADP is rich in these solutions, and a credible commitment to stick by its policies will be vital to deal with the expected continued rise in food prices to 2017.

The financial crisis has crippled the social and economic development of less-developed countries and put the United Nations Millennium Development Goals at risk of never being reached[.] Africa is often the worst victim.

President Jacob Zuma of South Africa, June 2009

1. Purpose of the study

This policy report examines Southern Africa's policy responses to the food price increases observed from 2006 to 2008, with reference to their rationale, objectives and instruments. These responses have implications for regional trade, integration and food security concerns. The report is intended to inform the debate around devising a new set of policies and initiatives aimed at increasing the level of food security in the region while taking into account the objectives of fostering trade and cooperation at regional level, keeping economies open to international trade, and applying sustainability criteria to the issue of food security. A related aim is to examine the intersection between food security policies and the multilateral trade rules unfolding in the context of the Doha trade round of the World Trade Organization (WTO).

2. The Southern African context

The increase in food prices in the period 2006–08 and the increased volatility of food markets have awakened global concerns about the problems of food security that affect food importing countries and the adverse impacts of these price increases on poverty and the distribution of income. The subsequent 2008–09 economic crisis reduced international prices of agricultural and non-agricultural commodities and reduced concerns about food security. However, it is reasonable to assume that once the economic recession is over the price of foodstuffs will tend to increase,² making food security a priority of governments and the international community once again.³

According to the United Nations (UN) (UN, 2008: 6), the recent increases in the price of food have had a direct and adverse effect on the poor in Africa. Poor people who do not produce their own food are the most severely affected because a larger proportion of their expenditure is allocated to buying food. Higher food prices limit their ability to obtain not only food, but also other essential goods and services, including education and health care. Most of the urban poor and the landless rural poor are in this position. Poor farmers, on the other hand, can benefit from higher food prices if they are able to produce more than they consume, thereby generating a tradable surplus. This said, many of them lack the resources to do so, in part because higher oil prices have raised the cost of fertilizers and access to other inputs such as seed. Overall, higher food prices are expected to push many more people into absolute poverty, with the UN estimates suggesting that the increase will be as many as 100 million (WFP, 2009). Most of the increase is expected to occur in sub-Saharan Africa and South Asia, already the regions with the largest numbers of people living in extreme poverty.

2 This contention, while probable, is yet to be tested empirically, as will be seen in Figure 1, where the present trend is seen to be that of a decline to a stable situation as opposed to an increase.

3 Author quoting the executive director of South African Agricultural Processors' Association, March 2010.

In Southern Africa the recent global financial, food, fuel and feed crises have impacted significantly on the region's food and agricultural systems (NEPAD Secretariat, 2009: 9). One-third of Africa's people suffer from chronic hunger, the highest ratio worldwide. Currently 298 million Africans, i.e. 31 percent of the continent's population, live on less than USD 1 per day. This compares to 241 million people in 1990. Hunger in sub-Saharan Africa is as historically persistent as it is widespread. Between 1990–92 and 2001–03, the number of undernourished people increased from 169 million to 206 million. In addition, only 15 of the 39 countries in sub-Saharan Africa, or 38 percent, reduced their numbers of undernourished citizens. Efforts to reduce hunger in the Southern African region have been hampered by a range of natural and human induced disasters, including conflicts, the spread of HIV/AIDS and global financial crises. Widespread hunger and malnutrition in Africa determine and reflect deep poverty in the region.

The impacts of high food prices are far reaching in Africa. High food prices present a challenge to the stability and security of countries and the nutritional security of their citizens, threaten development gains made thus far, and make the fight against hunger an uphill struggle (AU Commission, 2008). The link between food security and the fight against poverty has legitimized initiatives and national policies that can have important domestic and international effects. For example, food security has traditionally served as a sustained argument for the exclusion of elements of agricultural trade from the application of some of the primary legal rules of the global trading system.⁴ In many net food importing countries, the concern with food security has created favourable political conditions for the introduction of subsidies for domestic production and the search for self-sufficiency in the production of food. These policies can frequently result in protectionist trade measures. On the other hand, the policies adopted in response to the increase in food prices are not neutral in relation to concerns about sustainability, and the objectives of both sets of policies can even enter into conflict.

The crisis has provided the opportunity to link and compare responses from across the African continent. This intensified focus could result in policies that raise small scale farmers' incomes and enhance livelihoods, nutrition and, ultimately, food security. The high food prices expose the underlying long term underinvestment in agriculture and threaten the erosion of the development and political stability gains that have been made in recent years in African countries. The major causes of the high food prices include rising demand for cereals, particularly in rapidly growing economies; supply shocks due to weather-related anomalies and low productivity growth in Africa; and higher energy prices leading to higher input and processing costs, particularly increased prices of fertilizers and transport. For Southern Africa, the Comprehensive African Agriculture Development Program (CAADP) is the focal point for addressing the impacts of the crisis through a coordinated policy response (NEPAD Secretariat, 2009).

CAADP is a framework and mechanism through which coordination is enhanced and resources mobilized for the effective implementation of priority actions in harmony with national development plans. It is aimed at achieving a target of 6 percent agricultural growth, as well as overall national economic development. In the majority of instances, countries see their short term response as being the accelerated implementation of the longer term CAADP processes. To achieve this, heightened assistance from the donor community is needed to address the crisis and carry out the long term development agenda within the CAADP framework (NEPAD Secretariat, 2009).

4 In this regard the domestic support provisions of WTO's Agreement on Agriculture are pertinent, Article 6 in particular (WTO, 1995).

The magnitude of the effects of the increase in agricultural prices varies widely among countries, products and types of household. In Southern Africa, generally speaking countries are in a more or less permanent food security crisis, and policy formulation and response are geared toward this reality on an ongoing basis (see Table 1). The Southern African response to the global food crisis is thus less out of the ordinary than might perhaps be the case elsewhere in the world, but rather more of the same, simply exacerbated by the accentuation of these conditions during the crisis. In examining the Southern African response, there is thus not a huge divergence between ongoing policies and responses and immediate reactions to the food crisis.

Many of the affected countries in Southern Africa already suffered from high rates of chronic hunger and malnutrition even before the impact of soaring food prices was felt. High prices will almost certainly lower consumption, further drive up malnutrition rates and further reduce resilience to natural disasters. Sadly, high food and fuel prices will continue to critically threaten gains made in development and set back attempts to achieve the UN Millennium Development Goals (MDGs).⁵ Africa's emergency action is closely related to its ongoing seasonal and long term corrective actions through CAADP, which in turn draws conceptually on the MDGs. As such, the analysis will need to examine Southern Africa's ongoing food security policies and how CAADP dovetails with these.

Food security is a broad concept that has gained force due to initiatives of the Food and Agriculture Organization (FAO) and the priority attributed to the elimination of world hunger in multilateral cooperation forums. Food security was defined by the 1996 World Food Summit, which defined the term as follows in the World Food Summit Plan of Action: 'Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life' (World Food Summit, 1996: para. 1). The World Food Summit Plan of Action also indicates that inadequate access to land, water, inputs, improved seeds, appropriate technologies and farm credit, as well as wars, natural disasters and climate change, among other considerations, can adversely affect food security.

In expanding the World Food Summit Plan definition, it would seem that reaching suitable levels of food security in the long term depends on:

- a sufficient supply of food;
- making the food supply available to consumers through markets;
- consumers having effective access to food through affordable food prices and adequate income levels; and
- a sustainable supply of food in terms of the ecological conditions in which food production takes place.

The first two conditions depend on long term policies that stimulate production, the domestic commercial markets for food, the trade policy that regulates a particular country's import capacity and the prices at which imported foods relate to the domestic commercial market for consumers. In African

5 The MDGs were born of the Millennium Declaration at the 2000 UN Millennium Summit, with a view to 'free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected'. Goal 1: 'Eradicate Extreme Poverty and Hunger' is of particular relevance to the present discussion.

countries characterized by high levels of poverty and inequality, the third condition depends on assistance programs for the poorest sectors of the population. The best economic approach to achieve this is likely to be through direct transfers like domestic food aid programs. The fourth condition depends on the capacity to integrate environmental and social criteria, and policies to address climate change in terms of food security. Across all these factors, increasing interest in the purchase of land will be an issue, and this raises complex regulatory and political issues that have sustainable development implications for food security. These might include whether all the food produced will be exported, whether part of the production will be retained in the country and what kind of agreements govern these arrangements.

The precise balance between food security and the various causes of the food crisis is difficult to pin down. However, what is clear is that the basic cause of rising food prices is a growing mismatch between the supply of food and demand for it. The main factors inhibiting supply are rising energy prices feeding through energy intensive supply chains, the diversion of grains to biofuel production in response to concerns over global warming, drought in key producing countries and declining productivity in food production (accompanied by decreasing stocks).

A lack of food security, as evidenced by high food prices, is likely to remain in place for the foreseeable future, which means that food price increases may be a reality until supply and demand move back into balance.⁶ It is very difficult—and inadvisable—to manipulate demand, as this involves market manipulations; the key is to increase supply. This entails a host of measures, including, but not limited to, trade policy tools, but ultimately what is needed is dramatically increased yields.⁷ Consequently, the World Bank and regional development banks are gearing up for major agriculture-related investments in Africa (World Bank, 2008). Much of this investment (to the extent that it materializes) is likely to go into agriculture-related infrastructure (rural roads, irrigation, research and development) and, as such, will be relatively uncontroversial. Other solutions, however, will be controversial. For example, the adoption of genetic modification technologies in food production offers the prospect of raising productivity and allowing more rapid adaptation to the challenges climate change poses to the region.⁸

For the present, our interest is in the specific approaches adopted in Southern Africa and the analysis will proceed in that vein by examining and assessing the range of remedial measures that have been proposed and pursued.

3. The African approach: CAADP

In examining the Southern African response to the food crisis, the analysis will examine SADC's response and also the suggested policy approaches of the SADC farming sector as expressed by the Southern African Confederation of Agricultural Unions (SACAU), the Southern African regional farmers' organization. However it is necessary to commence this analysis at the continental level, as the influence of the New Partnership for Africa's Development (NEPAD) has been fundamental to the direction taken in Southern Africa with regard to food security.

6 Indications in this regard can be tracked via the FAO Food Price Index, which maps five major food categories (FAO, n.d.).

7 See, for example, the papers presented at a dialogue entitled *The Future of Agriculture* organized by the International Centre for Trade and Sustainable Development in May 2008 (ICTSD, 2008).

8 For a discussion of Southern African approaches to the regulation of trade in genetically modified foods, see Draper and Khumalo (2007).

In essence, NEPAD is a strategic framework for Africa's renewal.⁹ It was founded on a strategic framework under a mandate given to the five initiating heads of state (from Algeria, Egypt, Nigeria, Senegal and South Africa) by the Organization of African Unity (OAU) to develop an integrated and comprehensive socioeconomic development framework policy for Africa. This framework was formally adopted by the OAU Summit in July 2001.

The framework is wide and is designed to address the current myriad challenges facing the African continent. In the present context, issues such as escalating poverty levels, underdevelopment and the continued marginalization of Africa are pertinent in the quest to forge progress in Africa's ability to feed itself. In this regard, four primary objectives are notable in NEPAD. These are:

- to eradicate poverty;
- to place African countries, both individually and collectively, on a path of sustainable growth and development;
- to halt the marginalization of Africa in the globalization process and enhance its full and beneficial integration into the global economy; and
- to accelerate the empowerment of women (South Africa, n.d.).

In order to pursue these objectives, African countries have distilled a set of core principles to guide concrete policy development actions. The principles are:

1. Good governance as a basic requirement for peace, security and sustainable political and socio-economic development;
2. African ownership and leadership, as well as broad and deep participation by all sectors of society;
3. Anchoring the development of Africa on its resources and resourcefulness of its people;
4. Partnership between and amongst African peoples;
5. Acceleration of regional and continental integration;
6. Building the competitiveness of African countries and the continent;
7. Forging a new international partnership that changes the unequal relationship between Africa and the developed world; and
8. Ensuring that NEPAD activities are linked to the Millennium Development Goals (South Africa, n.d.).

Based on these principles, NEPAD then developed a Program of Action as a holistic, comprehensive and integrated sustainable development initiative for Africa's revival, to be guided by the aforementioned objectives, principles and strategic focus. In the context of food security, points 3, 5, 6 and 8, above, have the most direct bearing.

9 For a full description of NEPAD and its activities, see NEPAD (n.d.).

One of the work programmes that NEPAD has adopted at continental level is CAADP (NEPAD Secretariat, 2009: v–vii, 2–5).¹⁰ CAADP forms the basis for Southern Africa’s regional and national food security policies. The overall goal of CAADP is to ‘[h]elp African countries reach a higher path of economic growth through agriculture led development, which eliminates hunger, reduces poverty and food insecurity, and enables expansion of exports’. In Southern Africa, it is apparent that there is broad support for and a wish to implement CAADP.

CAADP addresses policy and capacity issues across the entire agricultural sector and African continent. It is entirely African led and African owned, and represents African leaders’ collective vision for agriculture in Africa.¹¹ To give effect to this vision, African governments have agreed to increase public investment in agriculture by a minimum of 10 percent of their national budgets and to raise agricultural productivity by at least 6 percent by 2015. To do this, CAADP will need to bring together diverse and key players at the continental, regional and national levels to improve coordination, share knowledge, learn from successes and failures, and encourage one another. These aims are implemented through CAADP’s strategic functions, regional economic communities and national roundtables using four broad policy areas called the Four Key Pillars (NEPAD Secretariat, 2009):

- Pillar 1: Extending the area under sustainable land management and with reliable water control systems;
- Pillar 2: Improving rural infrastructure and trade-related capacities for market access;
- Pillar 3: Increasing food supply, reducing hunger and improving responses to food emergency crises; and
- Pillar 4: Improving agriculture research, and technology dissemination and adoption.

Under these pillars, African leaders aim to ensure that by 2015 the continent sees:

- dynamic agricultural markets within countries and among regions in Africa;
- farmers taking part in the market economy and enjoying good access to markets so that Africa, capitalizing on its comparative and competitive advantages, becomes a net exporter of agricultural products;
- a more equitable distribution of wealth for rural populations in terms of higher real incomes and relative wealth;
- rural populations having more equitable access to land; physical and financial resources; and knowledge, information and technology for sustainable development;
- Africa as a strategic player in agricultural science and technology, meeting the growing needs and demands of African agriculture; and

¹⁰ The following descriptive section is paraphrased directly from this source.

¹¹ While this may be true conceptually, CAADP is funded through the Multidonor Trust Fund hosted by the World Bank, which channels financial support to CAADP processes and investments.

- environmentally sound agricultural production and a culture of sustainable management of natural resources as a result of better knowledge, more and better information, and the application of technology.

For our current purposes, CAADP Pillar 3 is most applicable. Under this pillar, CAADP has developed a Framework for African Food Security (FAFS) in an attempt to achieve structure and congruence so as to implement an actionable food security agenda. FAFS seeks to increase the reliability of food supplies by decreasing food insecurity and linking vulnerable people to opportunities for agricultural growth. Pillar 3 draws together the central elements of the CAADP vision to ensure that increasing agricultural productivity, well integrated markets and the expanded purchasing power of vulnerable groups combine to result in the eventual eradication of hunger and poverty. These efforts draw together and build on activities from the other pillars to combat chronic hunger in the long run, while at the same time improving responses to short term food crises. Progress made through Pillar 3 will contribute directly to the overall CAADP objective of achieving a growth rate sufficient to reach the MDGs' objectives of halving poverty and hunger by 2015.

The Pillar 3 framework identifies four key objectives that contribute to the goal of increasing resilience in vulnerable populations:

- **Improved risk management:** This will take place at the household, community, national and regional levels to inform decisions that ultimately impact the building and protection of assets and investments, and to strengthen national, regional and community responses to climatic and economic shocks that put at risk and undermine the coping mechanisms of vulnerable populations.
- **Increased supply of affordable commodities through increased production and improved market linkages:** This will increase the food available to households and communities. Strategies to increase the production of staple commodities are also more likely to impact poor small farm holders, increasing their incomes and extending the geographic reach of markets to underserved areas.
- **Increased economic opportunities for the vulnerable:** Identifying potential opportunities for diversification of livelihoods, particularly in support of adding value to agricultural production (through local processing, handling and transport) will build resilience and contribute to rural growth. Close coordination with strategies undertaken under other pillars will improve the outcomes of this objective, as will proactive attempts to link safety net interventions for access to agricultural inputs, credit, training and other interventions capable of providing opportunities for the poor to accumulate, diversify and invest in assets.
- **Increased quality of diets through the diversification of food consumed by target groups:** While investment in increasing the production of staple foods will have an immediate, significant impact on the poor, increasing their ability to access sufficient protein and micronutrients through varied, nutritious diets is necessary to ensure sustainable gains in the battle against poverty, hunger and malnutrition.

The implementation of the FAFS takes place at a national level through what are known as 'national CAADP compacts' (NEPAD Secretariat, 2009: 7). The country level CAADP implementation process is primarily one of aligning national agricultural sector policies, strategies and investment programs with CAADP principles and targets, in particular the overall aim of 6 percent growth rate and a 10 percent

public expenditure share for the sector. The CAADP process is built on ongoing country efforts and led by national governments, with the necessary support from the regional economic communities and the NEPAD Secretariat. In line with the NEPAD principles of ownership and accountability, the country CAADP process is initiated on a demand driven basis, through consultation between regional economic communities and their member countries. Country and regional round tables are used for these consultations and these are then made into national compacts comprising high level agreements among governments, regional representatives, civil society, technical partners and development partners for a focused implementation of CAADP within the country. The compacts detail priority projects, programs and investment strategies that the various partners can support. Compacts include defined actions, commitments, partnerships and alliances, and guide country policy and investment responses, the planning of development assistance, public–private partnerships, and business alliances to raise and sustain the necessary investments. The NEPAD Secretariat monitors progress on the development of national compacts. The latest monitoring report indicates that 29 African countries are in the process of developing compacts and, of these, 13 have signed such compacts (NEPAD Secretariat, 2010).

4. CAADP and the food crisis

CAADP has been used directly by African governments when they are assessing the policy responses that each country has taken and attempting to identify which of these actions has worked well. The need to respond to the food crisis prompted the African Union, within the context of CAADP, to convene the Food and Nutrition Security Workshop to Accelerate Investments in Response to High Food Prices and Resulting Food Insecurity, held in Pretoria, South Africa, on 20–23 May 2008.¹²

At the workshop, the governments expressed unanimity in their commitment to meeting the challenge to food security posed by the high food prices consequent to the food crisis. There was agreement that the decades of underinvestment in agriculture, which is one of the causes of the crisis, must be reversed. Many had already taken steps to protect the most vulnerable members of their populations from the rising prices of staple foods. The donors represented at the workshop were equally unanimous in expressing their commitment to assisting governments to respond to the crisis, and to the goals of NEPAD and the accelerated implementation of CAADP.

The 16 countries represented at the workshop worked on the formulation and refinement of pre-prepared draft action plans. Lesotho, Malawi, Mozambique, Swaziland and Zambia collaborated to construct a SADC regional picture. For each country a national group was constituted comprising ministry of agriculture, finance and planning officials, together with in-country representatives of the donor community. International experts were available to provide advice upon request. The results of the country deliberations were consolidated into a regional picture and presented to the workshop in plenary session. The regional commonalities based on the consolidation of individual country measures were categorized into short and medium term measures and can be summarized as follows for the Southern African contingent:

Short term measures include:

- supporting vulnerable farmers with agricultural inputs through subsidies, direct input provisions, trade fairs and trade networks, voucher distribution, and the grouping of vulnerable households to allow for discounts;

¹² The description that follows is paraphrased from the workshop minutes (AU & NEPAD, 2008).

trade knowledge network

- strengthening regional market linkages and partnerships with other countries and the private sector for purchasing seed and fertilizers in the international market;
- providing assistance to the most vulnerable (children, mothers, HIV/AIDS affected populations, the elderly and poor farmers) through education, cash transfers, food, and voucher support in safety net and nutrition programs.
- supporting agricultural productivity through conservation agriculture and integrated soil fertility management, and the promotion of technologies such as organic manure making, minimum tillage, residue management, crop rotation, efficient use of fertilizers and small scale irrigation; and
- post-harvest handling and value addition to improve food supplies and maintain or increase nutritional value, including improved processing and promoting simple storage facilities at the household level.

Medium term measures include:

- improving early warning systems, vulnerability and risk analysis, and market analysis;
- sustainable land management practices and irrigation development;
- adhering to regional trade policy agreements and further strengthening regional trade and infrastructure development, and establishing or expanding agro dealer networks;
- geographical focusing (specialization) of specific food crop production;
- expanding micro finance institutions and improving agricultural risk management; and
- improving agricultural extension, research and development.

A provisional cost estimate of financing needed to implement these interventions amounted to USD 2.93 billion, with 44 percent being allocated to short term needs and 66 percent to medium term responses. The main short term needs were for seeds (USD 112 million) and fertilizer (USD 749 million).

When implementing these policies, it was noted that there are no simple, single and direct solutions. While short term actions may be politically expedient and directly necessary at times, the correct approach would be to persist with the structural programs aligned with CAADP. It was considered that in terms of trade policy, export restrictions and taxes would aggravate price increases, encourage smuggling and impoverish local farmers. Lowering import tariffs was a more direct and better option, but had the downside of a possible reduction in government revenues. Price controls could be counterproductive, while untargeted consumer subsidies could be extremely expensive for the fiscus. There was an inherent danger in inappropriate government agriculture policies, as these could hamper the supply response. The lag in supply response could in turn be exacerbated by poor infrastructure and higher fertilizer and seed costs. Social welfare programs could be scaled up, but doing this would be ineffective without improved targeting of affected citizens so as not to dilute the impact of the programs by also funding those who could sustain themselves. Doing this raised the issue of the need for greater administrative capacity, which could also not be addressed in an ad hoc way. In short, Southern African

policy respondents faced the need to balance protecting the poor and running the risk of macroeconomic stability (AU & NEPAD, 2008: 9).¹³

By keeping the CAADP at the centre of the regional responses, the countries present addressed each of the four FAFS principles in turn (see above).

Improved risk management: There was a wide ranging discussion of topics related to risk management that identified opportunities and challenges as well as lessons from countries' experiences. The difficulties of effectively mainstreaming risk management were discussed, including the fact that although decentralization was crucial for this to work, there was a lack of local government capacity, while the possibility existed of potential competition among different domestic government ministries. Sound agricultural information systems are obviously essential for effective risk management planning, but there were many instances of failure and problems of lack of capacity, poor data quality, lack of urban assessments and dependence on external support. Because of this, these systems were often undermined by a lack of credibility. Discussion on the use of subsidies for inputs, direct cash transfers and tax exemptions focused on the high cost to government of such measures and their lack of long term sustainability. Problems of targeting and possible price distortions were evident, although it was agreed that targeted input support could fast track resources for poor farmers. Safety net programs, although costly and causing targeting and dependency problems, could at least be shown to be working quite successfully in some countries. Food stocks or grain reserves had been operating in many countries for long periods, but, although they could be effective in enabling a rapid response to emergency situations, experience showed that they were notoriously difficult to manage successfully and could be expensive to operate.

Increased supply of affordable commodities: Although most actions to increase the supply response are taken at national level, the regional context is crucial, simply because there are distinct areas of surplus and deficit production across each region. It became clear that the supply response could not be considered in isolation from other elements of CAADP, especially technology development and marketing. Some of the challenges that were outlined included the lack of private sector input suppliers and importers and the difficulty of managing public and private sector supplies, problems of seed multiplication and cumbersome regulatory requirements, poor management of advisory services, and the need to package technology with other inputs. The neglected potential of urban production was mentioned. This production could bring potential nutritional benefits to households, as well as market opportunities for fruit and vegetables, but raised some food safety issues. Some lessons from successful programs were presented, including a SADC seed harmonization policy¹⁴ and various public-private partnerships for fertilizer distribution, the preparation of small scale packages of inputs for small farmers, and linking farmers to importers in neighbouring countries to reduce import prices.

Increased economic opportunities for the vulnerable: The discussion considered the various options for enhancing access to food. These included cash transfers, targeted food assistance, seeds, vouchers, cash or food for public works, school feeding, national food reserves, warehouse receipts, agricultural packages, micro credit, agricultural insurance, targeted food subsidies and price controls, and more regional trade.

13 Conference inputs by Dr Delphin Go of the World Bank.

14 The SADC Harmonized Seed Regulatory System seeks to facilitate easier movement of seeds among SADC countries and will make more varieties of seed available in the region. It will also integrate small, isolated national seed markets into one large SADC market. This system has been developed through a consultative process and represents member states' direct response to the low availability of and farmers' limited access to key agricultural inputs. Special attention in this regard is given to small scale farmers who have limited resources and face challenges in sourcing seed of high quality (see SADC, 2010).

The main lesson to be drawn from the exchange of experiences was that each instrument has to be carefully tailored to the country and the crisis, remembering that there are often issues of management, sustainability and possible adverse consequences through creating disincentives for agriculture. Dependency is a danger for all programs that transfer resources to the poor without creating an asset base for future livelihoods. Similarly, such programs raise problems of targeting and misappropriation, as well as being expensive to government and thereby of limited sustainability. Some approaches, such as food or cash for public works programs and micro credit, inevitably excluded the poorest and disabled.

The discussion on national food reserves focused on questions of food quality, as well as the high cost and complexity of managing such reserves, and the ways in which these might be linked to related actions in setting minimum prices for crops and targeted food distribution. Although experiences with agricultural insurance were presented, it was felt that this was rather complex to initiate and manage and was more appropriate for medium scale rather than small scale farmers. The potential importance of regional trade was recognized, but there was a general feeling that lack of trust by governments in regional trade undermined this as a significant approach.

Increased quality of diets: The group discussed a number of options for enhancing diets and nutrition in general. In the short term, micronutrient supplementation of vitamin A and iron for pregnant women was important, as well as food assistance to vulnerable groups (children, mothers, those with HIV/AIDS). Longer term options included the promotion of post-harvest management programs, focusing on those areas where losses are greatest; investment in drinking water and sanitation; the promotion of indigenous crops and technologies for the production and processing of nutrient rich crops; and the dissemination of nutritional information to the public. Ultimately, investment in women's education, behavioural change and social marketing were seen as the solution. This required creating an enabling policy environment for public–private partnerships to enhance the processing and marketing of food.

In examining the substance of the discussion and the emerging recommendations that resulted, it is evident that Southern Africans seem to take a longer term systemic view of food security in the face of short term crises rather than focusing on immediate, short term responses. Again, this lends some support to the notion that Southern Africa has historically experienced an ongoing food crisis. The other possibility that arises in the context of the observed preference for long term policy responses as opposed to short term actions might be that traditionally Southern Africa has been the largest recipient of global food aid supplies, which have likely been seen as the most evident and recurring short term responses to food emergencies. This said, there is also recognition, again supporting the type of reliance on the longer term CAADP interventions, that short term food aid is not a replacement for developing a long term food secure environment. In this regard, the regional farmers have stated:

The farmers of Southern Africa recognize that food aid cannot be a replacement for the benefits that a long term food security strategy and related system will provide. They acknowledge the necessity for and benefits of Food Aid to augment their productive activities in providing human relief in times when circumstances outside of the control of farmers lead to a shortage of food in the region to the extent that some people do not have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life (SACAU, 2008).

5. Donor views of CAADP

CAADP has been recognized as a convenient docking station for international donor agencies in their responses to the food crisis. The World Bank has declared that in the future it would be strengthening its cooperation with its African partners through NEPAD, using CAADP. The bank makes particular reference to linking its support programs to the four CAADP pillars (World Bank, 2010).

The United States Agency for International Development (USAID) has also referred to CAADP and indicated, for example, that in developing new proposals in countries that have already agreed to a CAADP country compact, these should be used to tackle the root causes of food insecurity (USAID, 2009), which is addressed through, among other things, USAID's food aid programs. USAID suggested six steps in this regard:

1. Identify the chronically food insecure and those vulnerable to chronic food insecurity, characterize the vulnerable and the causes of food insecurity;
2. Estimate the magnitude of change required to achieve the Pillar 3 vision and objectives of the CAADP;
3. Create an inventory and identify options to achieve the objectives of the vision;
4. Prioritize interventions and costing options to focus on the best returns for an investment plan and addressing the necessary conditions to meet objectives;
5. Review implementation options, roles, responsibilities and coordination; and
6. Finalize and package an integrated programme that includes an investment and operational plan and arrangements (USAID, 2009).

Donor responses are thus facilitated and may even be expedited when there is a well understood preexisting country compact in place under CAADP.

6. Regional economic communities and CAADP

In Southern Africa, both the Common Market for Eastern and Southern Africa (COMESA) and SADC are highly cognizant of the role that CAADP plays in regional food security.¹⁵ This report will present a detailed explanation of the SADC approach. For the sake of completeness, a synopsis of the COMESA position is also provided.

6.1 COMESA and CAADP

The stated COMESA view is that food insecurity is not the result of any single factor, but rather a 'confluence of factors' that include natural disasters exacerbated by conflict, poverty and HIV/AIDS. Although the scientific predictability of climatic disasters is good, the region still suffers from the impact

¹⁵ CAADP indicates that each regional economic community should establish its own priorities based on the continent-wide CAADP pillars. The most notable progress has been achieved in COMESA and the Economic Community of West African States.

of such disasters despite the presence of early warning systems. The COMESA region has thus been unable to respond effectively to extreme natural events. Poor technology, low productivity, lack of inputs, declining soil fertility and questionable government policies have served to hamper the agricultural sector. These factors have combined to create vast food needs. In addition, the need is exacerbated by ‘silent factors’ like the malnutrition and under education of children, which undermines the future potential of the region.¹⁶

COMESA is a proponent of trade for food security in the region through the free flow of food staples across its members’ borders. As such, the organization is in the process of harmonizing investment and trade policies and removing non-tariff barriers that inhibit trade of agricultural products. Thus, COMESA is focusing on increasing food production and productivity and increasing food supply as responses to food crises in the region in order to reduce the number of countries requiring food aid. Where food aid is inevitable, COMESA’s approach is that it should be development oriented, meaning that it must not undermine the productive potential of the targeted recipients. The organization has thus partnered with the World Food Program (WFP) under the Alliance for Commodity Trade in Eastern and Southern Africa to promote trade of food staples under food aid through the Purchase for Progress program. Under this arrangement, the WFP purchases relief food locally and distributes it to vulnerable groups. This helps to create local markets and rural incomes and stimulates local food production. In this way, COMESA hopes that food security will not only be achieved, but also become sustainable, ensuring food production and thereby reducing dependency on food aid. It is for these reasons that CAADP has particular relevance for COMESA.¹⁷

The COMESA view was laid out in an address to U.S.-based development partners in Washington, DC in February 2009 (COMESA, 2010). COMESA stated its commitment to redressing food insecurity using CAADP as its primary tool. In this regard the grouping is monitoring CAADP’s implementation agenda and was working towards having a number of CAADP compacts signed in 2009–10 (five were expected). Overall, COMESA was satisfied that it has made substantial progress on both national and regional CAADP compact processes. The organization supported the contract for the design of the regional CAADP compact that had been awarded to the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN), which would work with the East African Seed Committee to ensure that an effective regional compact was executed. It was encouraging to note that COMESA intended to work closely with regional farmers’ organizations to ensure that the contents of the CAADP compacts reflect the real drivers of agricultural growth particular to each member country. A concern was expressed that the CAADP Trust Fund at the World Bank had not been particularly efficient in supporting the mobilization of funds intended for the needed investment in CAADP compact programmes. It was suggested that World Bank assistance for fertilizer resources available in Africa could reduce the cost of agricultural inputs, which was making African producers uncompetitive. The point was that loans to import fertilizer were an inefficient intervention, as transport costs were prohibitive and the production of fertilizer on the continent would negate the ‘unnecessary’ transport costs (COMESA, 2010).

6.2 SADC and CAADP

SADC is currently in the process of formulating its Regional Agricultural Policy (RAP) in an effort to facilitate the implementation of the resolutions of the Dar es Salaam Declaration on Agriculture and

16 For the COMESA view, see COMESA (2010).

17 Email correspondence with C. Mwila of COMESA is acknowledged.

Food Security (SADC, 2004). While the latter provides the political commitment to further the process of agricultural policy harmonization, RAP will work towards the provision of the necessary policy and legal instruments through which SADC can give real effect to its commitment by comprehensively coordinating its food security and agricultural policies. At the continental level, the SADC RAP will link with the NEPAD CAADP initiative. The SADC RAP will ultimately be the framework for harmonizing and integrating agricultural policies for all countries in the region. It should be noted that SADC sees it as critically important that major stakeholders, especially regional farmers, are fully involved in the process (SACAU, 2009).

The SADC approach to the world food crisis is dealt with under its Measures to Address Food Security in the SADC Region (SADC, 2009a). This initiative and its allied policy document arose from the Ministerial Task Force on Food Security (Task Force). The mandate for the formation of the Task Force came from the SADC Declaration on Poverty Eradication and Sustainable Development (SADC, 2008). The declaration stated that food security should be addressed by setting up a task force of ministers of trade, agriculture and finance. Their role would be to encourage regional collaboration by sustainably improving production capacity and productivity, and facilitating cross border and internal food flows based on improved infrastructure and distribution networks. The declaration also mandated the Task Force to focus on the global food crisis as one of its first priorities. The decisions of the Task Force were subsequently endorsed by the SADC Council of Ministers at their August 2008 summit in South Africa.

The Task Force first met in July 2008 in Lusaka, Zambia to address measures to mitigate the world food crisis and rising food prices under the wider banner of regional food security.

The declaration identifies the following items as representing ‘priority areas’ for the focus of regional attentions:

- achieving food security in a situation of growing global food shortages;
- addressing the adverse impact of climate change in the fight against poverty;
- increasing capacity in power generation and transmission and making greater use of renewable and alternative sources of energy;
- achieving higher economic growth through accelerated regional integration, pro-poor trade liberalization and economic development;
- developing and sustaining human capabilities through giving the population increased access to good quality and appropriate education, training, welfare and social development, nutrition, health, and supporting services in all member states; and
- accelerating development rehabilitation and the maintenance of infrastructure for regional integration.

The Task Force's report confirms the notion that the food crisis is simply a spike or peak in a wider pervasive and ongoing food crisis in Southern Africa. It contends that the region has experienced ongoing food insecurity, noting that cereal production, a proxy for food security, has stagnated since 1990, while population has grown, and in addition per capita dietary energy supplies have declined (SADC, 2009a: 5).¹⁸ In addition, despite the 'enormous efforts' that SADC member states have taken towards sustainable economic and social development, on average over 40 percent of the region's people continue to live in 'abject poverty' (SADC, 2008: 1).

Figures compiled by SADC given in Table 1 provide some sense of this state of affairs. It is notable that the region was in greater trouble in the 2003 drought than was the case in the 2008 food price spike. It can be further observed that over the six seasons covered by the table, the region seems to have been in a fairly consistent state of food insecurity (as a proxy for crisis) without any particular emphasis on the recent global food crisis. An encouraging sign from this data is that SADC appears to have been able to improve its coping mechanisms between the 2003 crisis and the 2006–08 crisis, reflected in fewer food insecure individuals during the latter period in an arguably more severe crisis.

Table 1: Number of food insecure people in selected SADC countries, 2002/03–2007/08

Country	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Lesotho	650,000	270,000	948,300	541,000	245,700	553,000
Malawi	3,300,000	4,000,000	1,300,000	1,320,000	833,000	0 ^a
Mozambique	590,000	964,000	202,000	428,200	121,500	520,000
Swaziland	270,000	217,000	600,400	634,400	465,900	345,000
Zambia	6,700,000	5,422,600	2,300,000	2,884,800	1,392,500	4,100,000
Total	11,510,000	10,873,600	5,350,700	5,808,400	3,058,600	5,518,000

^a This may have been reported in response to the Malawian president's promise that 'Malawi will never go hungry again'.

Source: SADC (2009b), augmented by the author's own calculations

The Task Force indicates that during the first three months of 2008 prices of almost all key commodities reached their highest in 50 years and even in real terms were at a 30 year high. It estimates that food prices will remain high for the 'next few years' and are certain to continue affecting SADC markets, especially because of the high dependence on food imports and food aid in the region (SADC, 2009b: 40). Recommendations are to:

- raise agricultural productivity;
- invest in pro-poor public health actions;
- build human and institutional capacity; and
- foster economic growth.

In taking action on these recommendations, certain measures were identified with a particular bias to favour small-scale farmers, who constitute the bulk of farmers in the region. The most pertinent of these are discussed below (SADC, 2009b: 54–67).

18 Between 1990 and 2006 the population grew by 63 percent while cereal production grew by only 7 percent.

Access to agricultural inputs: The ability of small-scale farmers to produce is constrained by their limited access to agricultural inputs. Fertilizer is a particular problem, as inorganic types are only produced in South Africa and Zambia and the region is dependent on imports. These imports became expensive, as their production and distribution is directly related to fuel prices, which rose sharply during the food crisis. In the short term, governments were encouraged to subsidize fertilizer supplies, procure stocks in bulk and well in advance of planting seasons, increase fertilizer production and place distribution points in proximity to small farmers. While these actions are clearly sensible, they all have cost and logistical constraints that may be prohibitive. In the longer term, encouraging the use of organic fertilizers and manure, planting nitrogen fixing plants, and liming acidic soils may be more efficient approaches.

Improved seed: On average, only 10 percent of seed used in the region is improved seed. In addition, the region experienced a 36,000 ton shortage of maize seed at the height of the food crisis in 2008 (SADC, 2009b: 60). Tanzania, Zambia and South Africa, however, had seed surpluses. The same types of supply and distribution solutions are applicable to seed as to fertilizer, with the same financial limitations. For the longer term, SADC has implemented a seed harmonization scheme seeking to harmonize national seed policies, make legislative changes that encourage a cross border seed trade and develop a foundation seed bank that can supply seed breeding material.

Agricultural credit: The problem faced by small farmers is that their inability to provide collateral limits their ability to obtain loans from traditional commercial financing institutions. The suggested solutions contain many best endeavour type responses, e.g. ‘encourage banks to prioritize and expand credit to smallholder farmers’. These suggestions are unlikely to be effective and this area is ripe for governments’ intervention in the provision of cheap credit as part of their wider agricultural extension services. For example, the ABSA banking group’s agribusiness focus is on price risk management and smoothing, including hedging and insurance policies. In the bank’s experience, 99 percent of small-scale farming initiatives fail because survival in the agricultural market is predicated on size and economies of scale, since variable agricultural production costs are not very changeable and so cannot be easily reduced. Therefore the solution lies in fixed cost reductions, and thus the scale of the farm is determinative (ABSA Bank, 2009). There is thus a need for governments to finance market failure, i.e. where commercial banks are ‘too scared’ to be involved.

Labour constraints: Farms have begun to experience labour shortages due to HIV/AIDS deaths and urbanization draining the pool of the rural labour force. Women play the leading role in rural agriculture, and heavy workloads and their wider family responsibilities constitute gender discrimination. Suggestions to curb labour shortages include the use of cooperatives to increase productivity, introducing animals and machinery to reduce manual labour, and the ‘mainstreaming’ of HIV/AIDS combating measures.

Appropriate use of machinery: The use of appropriate machinery is linked to labour relief issues, but is considered as a constraint on its own because the lack of economies of scale often make it inappropriate for an individual small-scale farmer to invest in machinery, even though its use may be appropriate and desirable. The use of draught animals is only an intermediate solution, as experience has shown that animal diseases constrain this as a viable labour saving strategy. The suggested interventions include the setting up of machinery hiring facilities; subsidies to ensure the maintenance of machines, including veterinary services for draught animals in extension programs; and removing all import duties on tariff lines for agricultural implements.

Safety nets: The immediate impact of the food crisis was severe in several countries and immediate relief was needed to alleviate suffering. The measures suggested and adopted are classic ‘food aid’ interventions

that involve the direct provision of emergency food supplies through donor aid or releasing strategic national stocks, increasing direct cash transfers to the most vulnerable, and using food for work programs. In the absence of reform of the international legal regime for food aid, this form of relief is not a suitable strategy for agricultural development in Southern Africa, as food aid remains primarily an instrument of First World surplus disposal linked to export subsidization.¹⁹

Agricultural market access: A lack of marketing infrastructure in Southern Africa impedes both the efficiency of inward supplies of inputs and outward supplies of agricultural products for export to the wider region or further afield. This exacerbates the impact of sanitary and phytosanitary (SPS) requirements, as delays in supply chains heighten the risk of disease and product losses for perishable commodities like vegetables. When products are able to make it to market, producers often find the markets depressed due to subsidies or the inappropriate introduction of food aid supplies. Some of the market improvement tactics suggested are as follows:

- SADC countries must continue to pressure developed nations for agricultural subsidy reform. To date, this has not featured prominently in the Economic Partnership Agreement negotiations between Southern Africa and the European Union and may represent an untapped opportunity in concluding these agreements, given that Europe is the biggest provider of global agricultural supports.
- Price stabilization mechanisms can be introduced. This could be done simply through domestic price supports, which are trade distorting although WTO compatible; or, more efficiently, but requiring much greater effort, through financial risk management tools like futures hedging.
- Countries could act as buyers of last resort (linked to domestic price supports) and channel such purchases into strategic grain reserves.
- SPS compliance capacity must be improved in tandem with the harmonization of SPS standards within the region.
- Institutions that make markets effective need to be encouraged. This would include associations for marketing produce; voluntary producer organizations; voluntary agricultural processor organizations; and information systems providing market information like prices, crop estimates and statistics of all kinds.
- The investment in physical infrastructure cannot be overemphasized in terms of both its creation and maintenance. In this regard, the CAADP country compact process ties in well with the domestic structures that are needed to tap into so called 'Aid for Trade' donor funding. In colloquial terms, Aid for Trade in the context of global trade liberalization can be described as development assistance that is targeted at helping developing countries to be in a better position to take advantage of trade opportunities and to strengthen their ability to assess and represent their interests in trade negotiations. It includes measures such as trade negotiation capacity building, infrastructure and marketing development, and capacity building to meet SPS standards.

19 The topic of food aid as a subset of food security is closely related to the present discussion, but beyond the scope of this report. For a full exposition of the food aid dimension from an African perspective, see Zunckel and Meyer (2009).

Land availability: Several countries in the region do not have sufficient agricultural land available. In the main, this is not due to a lack of land, but rather to land access constraints. In instances like South Africa, land reform programs are being implemented for reasons of equity. In other parts of the region, gender discrimination and land ownership restrictions are present. It is notable that at the regional level SADC has established the Land Reform Facility to assist member states with land reform questions. The program aims to address land redistribution via the willing buyer willing seller approach, clear landmines from agricultural land and promote gender equality.

It is further notable that Africa has been perceived as having a comparative advantage in land, which is a basic economic cornerstone, i.e. it is the means of production. In recent times countries from outside the continent have procured African agricultural land, not so much as a traditional investment, but with the more strategic aim of securing a reliable supply of farm produce in order to mitigate the risks of food and fuel crises (*Mail & Guardian*, 2009). The observed trend is for major food importers such as China, South Korea and Arab countries to obtain land leases or make land purchases in Africa. This type of investment disadvantages African countries when they lack the capacity to negotiate a fair investment contract or treaty.

When the opposite is true, then these transactions could provide mutual benefits by allowing import dependent countries to increase their security of supply while also bringing capital, infrastructure and technology transfers to countries that have the potential to produce much more food than they currently do. By way of an example of this practice, Madagascar has leased half its arable land (roughly equivalent to the area of Belgium) to South Korea on a 99 year lease. The concerning part is that this was done with no compensation other than the possibility of employment that might be created on the farms, and even then South Korea is able to bring in its own farm workers as part of the arrangement. While this particular arrangement has been stalled by a coup in Madagascar, it nonetheless indicates that in order to move towards a more positive scenario, Southern Africans need to invest in sound legal assistance in negotiating these complex and often innovative agreements or treaties (Evans, 2009: 46).

Diversifying production: Dependence on single, slow maturing crops that use large amounts of water such as maize is not ideal for sustainable production. This is especially so in the face of climate change, as a result of which Southern Africa is likely to become more arid, with intensified desertification. One of the ways to address this would be to move away from traditional cereals and diversify production. Potentially countries could look at drought tolerant plants like sorghum, millet and cassava, and short cycle proteins like poultry, as opposed to cattle rearing. Another avenue is to explore fisheries as a contributor to food security, a resource that has been underexplored to date. In this regard, the Task Force suggested that the SADC Protocol on Fisheries is a useful instrument that to date has not enjoyed the attention that it should. Looking at encouraging more non-traditional crops such as mushrooms is an option that also presents export potential.

The diversification dynamic is allied to the water scarcity problem, and infrastructure for water storage (called water harvesting) was described as a necessity by the Task Force. Allied to this is the need for effective irrigation that targets plant feeding without wastage and evaporation exposure. On the institutional front, it was recognized that water management is often a transboundary issue and as such negotiations on transboundary water resources and interbasin water transfers should be accelerated within the region.

Agricultural research and technologies: Southern Africa has a poor record of funding research and training institutes. This results in the inadequate generation, dissemination and adoption of new

technologies. In this regard, the Task Force recognized that linkages among research, extension services and farmers need to be strengthened and regional networks to share the research that is generated need to be encouraged. In particular, it identified the Consultative Group on International Agricultural Research and the Forum for Agricultural Research in Africa as requiring greater support.²⁰

Disaster preparedness: Regional experience indicates that, in the short term at least, food crises will continue to beset Southern Africa and as such the region needs to be prepared for these eventualities. The Task Force noted that an emergency preparedness program had been developed under CAADP. This response essentially had two thrusts. The first is that regional early warning systems need to be maintained and possibly upgraded and the second that a SADC strategic food reserve should be established. Strategic reserve considerations are examined separately in the following section.

7. Regional strategic reserves

The SADC initiative to look at a regional food stock flows from SADC's Extraordinary Summit on Agriculture and Food Security held in May 2004 where the summit instructed the SADC Secretariat to consider the establishment of a regional food reserve facility, and subsequently a study was commissioned to examine this.²¹

The report on the study indicates that the four grains intended for the reserve are white maize, wheat, sorghum and rice (Takavarasha & Muchero, 2007: ii–xiv). The facility also takes cognizance of the importance of livestock in the region and the linkages between livestock and crop production, and thus includes livestock as a fifth product. It is intended that the reserve will consist of 500,000 tons of food to be built up over a three year period from cash and physical contributions by member states. The stock is calculated at three months' consumption for an average number of countries most likely to experience a shortfall. The computation of the stock size is based on a five year average food balance sheet for the region, based on the assumption that the stock size and the cash component will be periodically reviewed as more experience is gained and circumstances change. It is further assumed that member states with surplus grain will be expected to hold physical stocks in their countries, but these stocks will be assigned to the regional reserve and should be managed at the regional level.

FANRPAN (citing NEPAD, 2004: 30) expresses the view that in Southern Africa, continued attempts to use strategic grain reserves to help stabilize grain prices for both producers and consumers have undermined market incentives for private traders to perform normal trading functions that could otherwise have satisfied governments' food security objectives in most years. As a consequence, small-scale farmers have often been penalized for producing crop surpluses by falling prices and the lack of a market. This has led them to reduce plantings, with subsequent adverse impact on the overall production and grain availability situation in subsequent years. At the same time, consumers have also faced greater instability in grain markets in terms of both physical quantities available and price. In most cases, therefore, experiences with strategic grain reserves in Southern Africa to date have not been satisfactory.

20 For information on the functions of these entities, see <<http://www.cgiar.org>> and <<http://www.fara-africa.org>>, respectively.

21 A workshop was also held in April 2007 in Johannesburg, South Africa. The workshop was attended by 23 delegates from 11 of the SADC member states.

It would seem that countries in the region that have held strategic stocks have indeed had mixed success, and some have been dubiously managed. For instance, it was reported that Malawi's national budget was 'derailed' in 2001, mainly because the government had to rescue the National Food Reserve Agency (NFRA) after it had lost control of its loan book in the form of commercial loans that it could not repay. This apparently cost the treasury 1.5 percent of gross domestic product, a huge amount. In addition, the NFRA had difficulty managing reserve stocks and at one stage ran out of supplies due to its inability to replenish stocks effectively, as it misread the next season's maize market. The interesting factor here was that Malawi had involved both the International Monetary Fund and the World Bank in its strategy and the European Union had commissioned a sizeable study leading to a strategy to assist the government at the time.²² As another example, South Africa has periodically examined the merits of a strategic stock and decided against it, rather allowing the market to provide supplies. This approach can only work in a well-functioning and aggressively traded market, which the rest of Southern Africa does not have.

8. Measures adopted in Southern Africa

The SADC Task Force conducted follow-up analysis on the progress that selected member states had achieved pursuant to its work and recommendations (SADC, 2009b).²³ The results are summarized below and comment is included on what a particular policy measure hoped to achieve and what conditions would make these measures effective in countering the negative effects of high food prices. The section is also augmented by information from the FAO's compilation of country responses to the food security crisis (FAO, 2009: 7, 13, 18).

Suspension or reduction of VAT and other taxes on food:

Purpose and expected effects of the measure:

- lower food prices;
- increased disposable income for consumers; and
- loss of government revenue.

Comment:

- The tax break will be more effective if there is competition in the domestic market.
- It would be useful to monitor the effect on prices.
- The action is recommended provided that the national budget is not faced with an excessive deficit.

SADC countries implementing the measure are Lesotho, Madagascar, Mozambique, South Africa and Zimbabwe.

22 For more detailed account of the Malawi experience, see <<http://www.imf.org/external/np/exr/facts/malawi.htm>>.

23 A textual version of the SADC tabular compilation is provided here.

Reduction of tariffs and customs duties on imports:

Purpose and expected effects of the measure:

- lower prices of imported food and related local import parity prices;
- the stimulation of import volumes; and
- a decline in government revenue.

Comment:

- The policy is recommended, provided the budget is managed to avoid an excessive deficit.
- The effect on food prices should be monitored.

Madagascar is implementing this measure.

Restrictions or bans on exports:

Purpose and expected effects of the measure:

- the reduction of domestic prices;
- medium to long term implications for producers; and
- increased risk of smuggling and incentives for corruption.

Comment:

- Strict border controls are required for the policy to be effective.

SADC countries implementing the measure are Malawi, Tanzania and Zambia.

Release of stock (public or imported) at subsidized price:

Purpose and expected effects of the measure:

- reduction in local food prices; and
- negative effects on the state budget equivalent to the direct subsidy.

SADC countries implementing the measure are Malawi and Zambia.

Price controls on key staple food products through regulations:

Purpose and expected effects of the measure:

- All consumers will benefit from stable and moderate prices.
- The policy will act as a disincentive to farmers and impact negatively on producer prices, leading to less production in the future.
- There is a raised risk of black market activity in the event that demand outpaces supply at the suppressed domestic price; or if producers attempt to benefit from higher international prices.

SADC countries implementing the measure are Malawi and Zimbabwe.

Cash transfers or food vouchers:

Purpose and expected effects of the measure:

- Recipients will have additional direct ability to purchase food.
- People will have a better chance of maintaining a quality diet.
- Increased spending could have inflationary effects.
- Food vouchers could become a parallel currency.
- Cash measures are prone to leakages, embezzlement and security risks.
- The measure has to be funded by the national budget.

Conditions required for the policy to be effective:

- Markets must be functioning and adequately stocked (supplied).
- Effectiveness can be enhanced through targeting using cash in exchange for work programs.
- The issuing of vouchers needs to be unconditional when situations are extreme.
- Targeting is effective through food for work programs, school feeding or plain food distribution when the situation is extreme.

SADC countries implementing the measure are Lesotho, Mozambique, South Africa and Malawi.

Food distribution:

Purpose and expected effects of the measure:

- Beneficiaries have direct and free access to a certain quantity (ration) of food.
- If the food is purchased locally, it can stimulate production.
- In case of inadequate supplies, local purchases will have an inflationary effect.
- If food is brought in via aid, it could reduce local prices.

SADC countries implementing the measure are Madagascar, Mozambique and Malawi.

Immediate production support:

Purpose and expected effects of the measure:

- The rapid production of short cycle crops, including vegetables in urban areas and on irrigated land, can be achieved.
- The supply of certain food items will be improved on some markets.
- Prices of certain food items could be reduced on some markets.
- If targeting is effective, this can help improve the welfare of poor small farmers.

Comment:

- Where input markets are working reasonably well and inputs are available, a voucher system is recommended.
- Where input markets are not working, the government should enter into contracts with existing private dealers or make arrangements with non-governmental organizations for distributing input packs.
- Stocks of the desired inputs must be available.

SADC countries implementing the measure are Madagascar and Seychelles.

Input vouchers (seed, fertilizers and tools) for vulnerable farmers:

Purpose and expected effects of the measure:

- Poor and vulnerable farmers can acquire inputs.
- It is cheaper to distribute vouchers than to distribute food.
- The measure can help improve the welfare of the poor.

Conditions required for the policy to be effective:

- A reliable and well-functioning network of input dealers is needed.
- An appropriate system to verify input quality, particularly for seeds, is needed.

SADC countries implementing the measure are Malawi, Mozambique and Zambia.

Pilot fertilizer and seed input credit schemes for small-scale farmers:

Purpose and expected effects of the measure:

- The benefits to small farmers are potentially large.
- The availability of certain food items will be improved in households in the pilot areas and in nearby markets.
- With good targeting, this can help improve the welfare of small farmers.

Conditions required for the policy to be effective:

- The benefits need to be properly shared among stakeholders.
- The initial fund must maintain 100 percent of its initial purchasing power for the scheme to be sustainable.
- This integrated approach requires a safe and well enforced regulatory framework for contracts.

SADC countries implementing the measure are Botswana, the Democratic Republic of the Congo and Lesotho.

Input trade fairs:

Purpose and expected effects of the measure:

- Vulnerable farmers are able to choose the inputs (seed, fertilizer and tools) that they need.
- The policy can strengthen the local seed system.

Comment:

- Good organizational capacity is needed.
- The policy provides an opportunity for seed quality checks.
- Events should be organized just prior to the planting season.
- The measure is likely to be linked to a cash, voucher or credit system.

SADC countries implementing the measure are Lesotho, Mozambique and Swaziland.

Low cost mechanical conservation agriculture:

Purpose and expected effects of the measure:

- Soil structure will be improved and the hard labour of digging and ploughing the fields will be reduced.
- Fertilizer efficiency will be increased.

Conditions required for the policy to be effective:

- This policy works best where competition for residues (e.g. chaff as feed) with livestock is not a serious problem.
- The policy needs to be in place for some time for its full benefits to be felt.

SADC countries implementing the measure are Lesotho, South Africa, Swaziland, Zambia and Zimbabwe.

9. Southern Africa, trade and food security, and the global trade regime

At the multilateral level, WTO, through its director general, has indicated that the Doha round's conclusion could be a solution to the global food crisis (WTO, 2008a). WTO has suggested that the agricultural negotiations have a special 'resonance' in the sphere of rising prices for many food staples and widening fears about food security in parts of the developing world. WTO analysis indicates that agreeing to cut trade distorting agricultural subsidies in a substantial way and import tariffs on agricultural products can contribute to a better connection between supply and demand for food and feeds; stabilizing prices in the medium term; and creating incentives for boosting farm production in many developing countries, notably in Africa. From a Southern African perspective, this is likely to be true in the sense of the 'long term objective ... to establish a fair and market-orientated trading system'

(WTO, 1995: Preamble, para. 2) under the WTO regime, even if some countries,²⁴ like net food importing developing countries, experience losses in the short term.²⁵

The global trading system has generally helped to alleviate poverty in the WTO era (World Bank, 2008: xxiv). However, some poor households have been negatively affected by trade liberalization, even if poverty levels have been reduced on average. This is, however, not true across the board, and poor households are actually affected differently depending on their sources of income. It is notable that higher food prices have a positive spinoff in parts of the agricultural sector. The studies surveyed found that rural households adjust better to agricultural price increases than urban households.²⁶ The reason for this is that rural households can fall back on subsistence farming for consumption or even turn into net suppliers of agricultural products in a rising price market. This would serve to indicate why it is not only access to food that is important, but also the domestic capability to produce food, if this is based on comparative advantage linked to natural endowments, which is an obvious feature of the African agricultural sector. This provides a solid theoretical basis for challenging proponents of continued First World subsidization of agricultural exports, specifically as a way of ensuring continued food supplies to poor countries. While the concept may have a beguiling allure in the short term and in the face of immediate crises, sound economics seems to indicate that, given a large rural population, the retention of production is a catalyst for positive gains from trade in a trade reform scenario under the Doha Development Agenda. This is especially so for net food importing developing countries, and, as a region, SADC is a net food importer from abroad (SADC, 2009b: 19).

When examining Southern Africa in the context of regional trade, it is notable that the SADC Task Force found that regional trade was not seen as a leading solution to address the food crisis and that policymakers were actually suspicious of the wisdom of interregional dependency. This is an interesting contradiction, as the political dynamic in SADC is firmly committed to deeper integration.²⁷ This said, the Task Force did recognize that food trade through informal cross border channels was prevalent, but that its magnitude was not known (SADC, 2009b: fn. 63). However, data is available that quantifies this trade to some extent at least.²⁸ WFP has a Cross Border Food Trade Monitoring Initiative and

24 The WTO classifies the least developed country (LDC) group plus 26 developing nations as net food importers. There are approximately 65 net food importing developing countries (NFIDCs) at any time, with the number varying, because the UN classification of LDCs is compiled on economic indicators and is not a fixed determination. Note that there are a large number of NFIDCs in Southern Africa. See WTO (2005) in this regard.

25 It is not within the scope of this study to provide a general analysis of WTO agricultural rules and how these might affect food security generally, but rather to highlight certain Southern African examples. For a useful overview of current and emerging WTO rules as they affect food security generally, see Mulleta (2010).

26 These adjustments are often triggered by trade reforms, but may include other events, like structural supply side adjustments characterized by an outward shift in the aggregate demand curve.

27 The SADC Regional Indicative Strategic Development Plan approved by the SADC Summit in 2003 and reconfirmed in 2007 sets ambitious targets for SADC's regional integration. These are:

- the completion of negotiations for the SADC Customs Union by 2010;
- the completion of negotiations for the SADC Common Market by 2015;
- achieving a SADC Monetary Union and SADC Central Bank by 2016; and
- the launch of a regional currency for SADC by 2018.

See <<http://www.internationaltradelaw.co.za/news/49-sadc-confirms-its-free-trade-area>>.

28 See the Famine Early Warning Systems (FEWS) Network at <<http://www.fews.net>>. FEWS is jointly run by WFP and USAID.

prepares a monthly report based on data collected at selected border points by a network of border monitors. These monitors record data on a daily basis and transmit it to a central location every week for collation and analysis (WFP, 2010). The border trade monitoring system includes 29 border monitoring posts at present. WFP contends that informal cross border food trade helps to mitigate food insecurity by improving access and availability. In the present market it notes, for instance, that maize flows continue to be important in the southern districts of Malawi, where large volumes are informally sourced from Mozambique, and that production shortfalls provide a strong incentive for traders on both sides of these borders (USAID, 2010).

The effect of trade liberalization on government revenue has been identified as one of the key concerns for many developing countries and was clearly a concern for SADC in the present analysis when considering tariff reductions on farming inputs. Indeed, the share of trade taxes in total revenue is negatively associated with the level of economic development, with many low income countries earning half or more of their revenue from trade taxes (SADC, 2009b: fn. 8). We note that the WTO December 2008 agricultural modalities (the latest ‘viable’ modalities attempt) confirm that LDCs will not be called on to make tariff reforms in the agricultural sector.²⁹ As a policy imperative, unilateral tariff reform has to be considered to the extent that imported factors of production (such as fertilizer and diesel) comprise a cost driver in the agricultural sector, ultimately giving rise to higher food prices. From a policy perspective, this concession should not be viewed as an absolute imperative, but rather as a windfall that creates policy space. In other words, tariffs do not need to be applied at bound rates and can be unilaterally reduced in the interests of reducing input costs to the agricultural sector without losing the ability to revert to the (usually prohibitive) bound rates should the need for protection become pressing in the medium to longer term.

It would thus appear that, with current factor endowments, Africa is highly unlikely to diversify its economy into manufactured goods in the short run, because the successful diversification of African economies requires the upgrading of the skills base through education and training, and this takes time. By the same token, this would be equally applicable to addressing the food crisis, as the approach embodies the same medium and long term development themes that are evident in CAADP.

The food crisis has perhaps relaxed the key constraints on the final compromises necessary to reach an agreement on agricultural liberalization in the Doha round. This is built on the notion that when farmers are getting high returns from the market, it is unnecessary to augment their incomes with subsidies. With food prices having risen dramatically, the payouts to First World farmers in particular should be substantially reduced, since such payouts vary inversely with market prices. High prices are expected to continue, so the need for subsidy will also remain negligible. It should therefore be theoretically possible to soften significantly First World opposition to restricting post-Doha agricultural subsidy payments to lower levels. This dynamic should be making it likely that developing countries, especially in Africa, would be able to respond and bring Doha to a successful conclusion. However, the continued negotiating stalemate in the WTO proves that deep seated resistance to reform remains the key problem for the Doha Development Agenda.

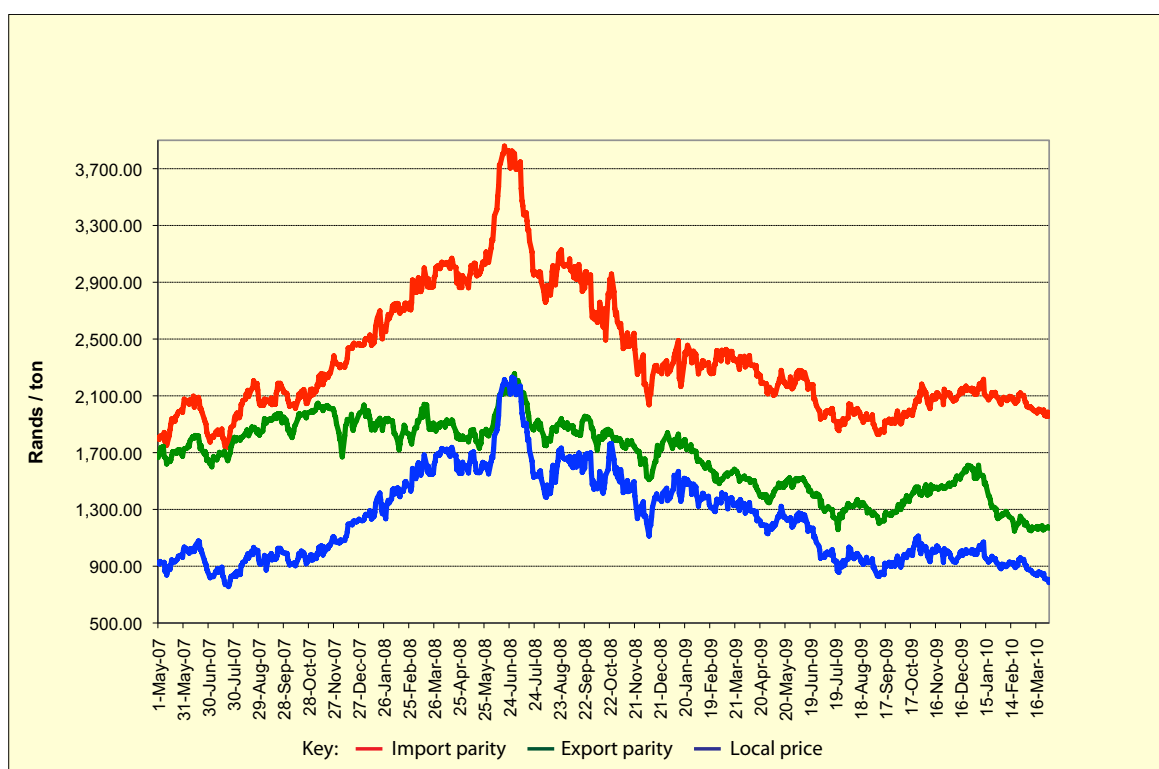
If, as contended above, it is accepted that Africa has superior factor endowments in land and thus a comparative advantage in agriculture, it is concerning to see that a World Bank study released at the height of the food crisis shows that only 12 of the 47 countries surveyed in the sub-Saharan African

29 WTO (2008: para. 142): ‘Least-developed country Members are not required to undertake reductions in bound duties.’

region were seen to be net food exporters (Ng & Askoy, 2008: 15).³⁰ This explains why some analysts and policymakers have been concerned that the withdrawal of First World subsidies may lead to an increase in food prices and will thus undermine the food security of several countries in Africa. The global food price spikes in early 2008 have made this view particularly popular, giving some impetus to review the standard position of opposition to First World agricultural subsidization.³¹

Is this a good idea? Clearly, the answer must be ‘no’. The logic is usually that a country that is currently a net importer of food may become a net exporter after the elimination of subsidies if the removal of such barriers makes food production more attractive and hence boosts domestic production. In other words, production and export patterns depend on the current and future global trade policy environment and are likely to change as that environment changes. Consequently, although the withdrawal of subsidies arising from multilateral trade reforms may increase food prices and have negative short term effects on food importing countries, in the long run there is likely to be an adjustment that would reduce the vulnerability of some of these countries to such shocks. In addition, in the current scenario of global commodity price spikes, where not only price is an issue, but where physical availability is increasingly constrained (as evidenced by the host of export restrictions imposed by food exporters in recent times), the logic of having local production is patently clearly highlighted.

Figure 1: South African yellow maize prices, May 2007–March 2010 (ZAR/ton)



Source: Adapted from Grain South Africa (2010)

30 Many of these states are officially cited as NFIDC, as listed in WTO (2005).

31 The World Bank study (Ng & Askoy, 2008: 13) also notes that this does not mean that sub-Saharan Africa would definitely lose under global trade reforms. The continent is a significant agricultural exporter that tends to export other agricultural products (non-food items like fibres are included) and import primarily grains.

To this should be added the notion that commodity prices in the domestic market will tend to vacillate between export parity and import parity, with export parity being lower than import parity due to the effect of transport costs (the difference between free on board and cost, insurance and freight costing elements). In a market where domestic production is absent, possibly spurred by production suppression in the face of agricultural subsidies or as a consequence of a policy decision to accept subsidized imports freely as being a 'gift', the price will be at the higher import parity level. The country concerned thus faces a structural price disadvantage relative to the position where it had been able to retain a critical mass of domestic production (Zunckel, 2009). By way of a practical example, Figure 1 shows this phenomenon as it manifests in the South African and Southern African markets.

In Figure 1 it is notable how the local price (the green trend line) vacillates between the levels of import parity (red) and export parity (blue). More interesting is that at the height of the price spike in June and July 2008, the local price is tending towards the lower export parity level. In the absence of a local production base, the price would be at the higher import parity level. This is approximately USD 210 per ton higher than actually recorded in practice, which is equivalent to approximately 70 percent of the domestic price at that point. The figures serve to support the contention that a country with domestic production capability is in a better position to foster food security than one simply reliant on imports. This reliance on imports may be due to its production having been displaced by subsidies or because of an active policy choice on its part.

The SADC Task Force noted that in 2008 global grain stocks dropped to their lowest levels since 1980, with the implication that faced with a decline in regional production, SADC would find it difficult to import and, if so, affordability would be an issue. This contention is confirmed by the definite maize trend line spike in Figure 1. The suggestion made by the Task Force was to increase domestic production and at the same time to establish national and regional food reserves (SADC, 2009b: 51).³² This regional position again supports the notion that encouraging production is an appropriate policy. This is also in harmony with the foundations of CAADP.

10. Conclusion

The agricultural sector is critical to the region, as it plays a significant role in food security, job creation, poverty reduction, export revenues and rural development. It is crucial for engendering food security to prevent the global food crisis from weakening the region, and it is essential for SADC to seize the opportunity of making food security a tool that contributes to unlocking the agricultural potential of the region to produce enough food for its people, enhancing its commercial capacities to generate tradable surpluses and creating jobs for rural people.

Policy measures available in the short run include providing safety nets and social protection to the most vulnerable consumers in both rural and urban areas and supporting the ability of smallholder farmers to increase short term production. Improved trade policies can also yield important gains, using existing and emerging WTO rules. In the longer run, it will be important to address the fundamentals that increase both public and private investment in agriculture and improve the functioning of markets. The implementation of these policies offers the best option for putting the world on track to reach the World

³² Cereal prices are expected to remain above their pre-2006 levels until 2017.

Food Summit³³ target of halving hunger by 2015, despite food price increases. In the same vein, at the L'Aquila Summit in July 2009 the G8 countries endorsed a 'Joint statement on global food security' calling for food security and sustainable agriculture issues to be put at the top of the political agenda at the global, regional and national levels and pledged to mobilize USD 20 billion by 2012 to support sustainable agriculture development. The statement makes particular reference to working with CAADP (G8, 2009: paras. 2, 11, 12).

The research presented shows that there is good evidence that Southern Africans seem to take a longer term systemic view of food security in response to short term crises rather than considering immediate short term actions. Again, this lends some support to the notion that Southern Africa has historically experienced an ongoing food crisis. The other possibility that arises in the context of the observed preference for long term policy responses as opposed to short term actions might be that traditionally Southern Africa has been the largest recipient of global food aid supplies, which have likely been seen as the most evident and recurring short term response to food emergencies. This said, it is also recognized that short term food aid is not a replacement for developing a long term food secure environment, as reflected in the CAADP program.

What is clear is that in a period of rampant global commodity prices and, more so, a threat of food shortages, the mere presence of domestic production to some extent has a calming or dampening effect on domestic market prices. For this reason, a trade policy agenda that weans Africans from subsidy laden food import dependence would be a sound approach.

In addition, short term assistance in response to a food crisis cannot replace the benefits that a long term food security strategy and related system will provide under CAADP. There is certainly a need for the benefits of short term relief to augment the productive activities of especially smallholder farmers. This would include providing human relief in times when circumstances outside the control of farmers and consumers lead to a shortage of food in the region to the extent that some people do not have physical and economic access to sufficient, safe and nutritious food. This access would be both in terms of meeting their dietary needs and their food preferences for an active and healthy life. In the Southern African context, where the region has been in a long term food crisis to varying degrees, it is crucial to retain a focus on long term solutions. CAADP is rich in these solutions and a credible commitment to stick by these laudable policy frameworks will be a key response to the expected continued rise of food prices to 2017.

In closing, the following words taken from South African President Jacob Zuma's address to the World Economic Forum in Cape Town on 10 June 2009 provide some indication of the road ahead for Southern Africa, its agricultural prospects and its ability to become food secure:

African agriculture has suffered for decades from the huge subsidies provided to developed country agriculture. The continent is rich in natural resources, including agricultural land. The continent has the opportunity to diversify markets and products, including building the requisite infrastructure and systems for intra-Africa trade.

33 Recall that the World Food Summit in 2002 convened heads of state and government, international agencies and non-governmental organizations to discuss progress towards reducing hunger. The resulting program calls for an additional public investment of USD 24 billion annually. It also proposes combined investment in agriculture and rural development, with measures to enhance direct and immediate access to food for the most seriously undernourished.

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