Food Security & Trade in Food Staples in COMESA Region

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Food Security Situation in COMESA region
- The number of undernourished people in COMESA has been rising; over 120 million people were undernourished in 2012.
Global Hunger Index (1990-2012)

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</thead>
<tbody>
<tr>
<td>COMESA Region</td>
<td>23.1</td>
<td>24.5</td>
<td>23.6</td>
<td>21.2</td>
</tr>
</tbody>
</table>

- GHI measures and tracks hunger globally and by country and region (includes undernourishment, child underweight and child mortality)
- Ranks countries on a 100-point scale, with 0 being the best score (no hunger) and 100 being the worst;
  - 20.0 - 29.9 indicates alarming hunger;
  - 30.0 or higher-extremely alarming
Food aid is a common phenomenon.
Region is largest recipient...

<table>
<thead>
<tr>
<th>YEAR</th>
<th>2002-2012</th>
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<tbody>
<tr>
<td>Total deliveries to COMESA (MT)</td>
<td>29,458,621</td>
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<tr>
<td>Total deliveries to Sub-Saharan Africa, North Africa and Middle East (MT)</td>
<td>45,874,109</td>
</tr>
<tr>
<td>Proportion to COMESA (%)</td>
<td>64.2</td>
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</table>
Agricultural production & productivity
Crop productivity - Cereals

Yield (t/ha)

- Very low compared to the rest of the world
- Stagnant or growing very slowly
Percentage increase in cereal yields and production (2000-2012)

- Increase in production, only achieved through expansion in area under production
Net maize production and imports in COMESA Region (2001-2012)

Source: COMSTAT

- Maize production has increased but maize imports have increased at an even faster rate
- The imports are accounted for by 5 countries; with few being net maize exporters
Major importers and exporters of maize in COMESA Region

<table>
<thead>
<tr>
<th>Trade Position</th>
<th>Country</th>
<th>Cumulative Annual Avg. Quantity (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Largest Importers</td>
<td>Egypt, Zimbabwe, Kenya, Swaziland, DRC</td>
<td>2,237,017</td>
</tr>
<tr>
<td>Periodic net exporter</td>
<td>Zambia, Malawi</td>
<td>78,602</td>
</tr>
<tr>
<td>Consistent net exporter</td>
<td>Uganda</td>
<td>45,141</td>
</tr>
</tbody>
</table>

- The bulk of maize imports into COMESA region come from outside the region.
- According to the FAO (2006), of the $3.7 billion of cereal imports in sub-Saharan Africa, only 5% were produced by African farmers.
Trends in food prices

- Food prices in Eastern Africa region have remained persistently high and volatile since 2007/8 food price crisis.
- Individual governments adopted different policy responses…but most did not offer a relief to the food price crisis situation.
- Actually some policy responses (including trade bans) that individual countries employed may have worsened the crisis.
Rising food prices worsen hunger situation...
Why regional trade?

- Regional approach has many advantages:
  - Achieve economies of scale in agricultural investments
  - Internalize the international externalities of investment in agricultural development
  - Give coherence to projects
  - Institutional strengthening, accountability and peer learning

- Less variability in production at the regional level compared to country level

- Food surplus/deficit areas

- Climatic diversity which can facilitate regional trade
Opportunities for trade; staggered harvesting

- Harvesting timeline, very diverse across the year

Source: Data: FEWSNET, 2008
But, food trade is restricted

- Regional trade is important in addressing regional food insecurity
- Intra regional trade has increased - but trade in staple foods remains low (about 12% of staple food imports)
- Tariffs reduced but not completely eliminated
- Tariff restrictiveness varies from one country to another and from product to product
- In addition - *ad hoc* trade restrictions and non-tariff measures
- Trade restrictions diminish the gains expected from regional trade
Intra-regional protection in agriculture and food, staple foods and non-agricultural products

<table>
<thead>
<tr>
<th>Trade description</th>
<th>Simple Average</th>
<th>Weighted Average</th>
<th>Min Rate</th>
<th>Max Rate</th>
<th>No. of Int'l Peaks</th>
<th>Dutiable (%)</th>
<th>Specific duty (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agri- foods intra-regional</strong></td>
<td>7.26</td>
<td>10.48</td>
<td>0</td>
<td>75</td>
<td>2048</td>
<td>39.6</td>
<td>4.41</td>
</tr>
<tr>
<td><strong>Non- agricultural- intra regional</strong></td>
<td>4.7</td>
<td>2.7</td>
<td>0</td>
<td>60</td>
<td>8984</td>
<td>25.1</td>
<td>0.03</td>
</tr>
<tr>
<td><strong>Intra-regional staple foods</strong></td>
<td>7.42</td>
<td>28.98</td>
<td>0</td>
<td>75</td>
<td>206</td>
<td>64.0</td>
<td>0.01</td>
</tr>
</tbody>
</table>

*Source*: ReSAKSS-ECA, 2011

- Protection still exists: Agriculture and food trade is more protected, high tariffs exist, specific duties exist
- Staple foods even more protected: higher simple average tariff, larger proportion is dutiable
Specific restrictions on staple food trade

- Import and export tariffs
  - Tariff peaks, tariff escalation and other non-transparent tariffs e.g. specific tariffs
- Import and export permits
- Quotas
- Inconsistent implementation of SPS regulations
- Trade bans

More important is the un-predictability and ad hoc manner in which trade restrictions are applied

Leading to;
- Uncertainty among private sector and
- Inability to develop long term reliable trade relationships between deficit and surplus countries
Provisions for trade restrictions-WTO

- WTO regulations dealing with quantitative restrictions are relatively limited; offering ample “policy space” for domestic policy considerations.

- GATT XI requires Members to eliminate all prohibitions and quantitative restrictions on exports with the exception of:
  - Those imposed “temporarily” to prevent and alleviate food shortages;
  - Those intended to allow time for the application of regulations such as classification and grading.
Provisions for trade restrictions-COMESA

- Article 50 of the COMESA Treaty provides for instances where restrictions may be applied:
  - The protection of human, animal or plant life, or the protection of public morality
  - The maintenance of food security in the event of war and famine
- Member State is required to give notice to the Secretary General
- The article should not be applied to stultify trade and the free movement of goods
- When invoked measure:
  - Should only last to serve the purpose for which it was intended;
  - Should not last for more than is necessary to achieve the security aims and other risks intended to be eliminated; and
  - Shall be on the basis of non-discrimination.
THANK YOU!
About ReSAKSS

- Regional Strategic Analysis and Knowledge Support System - established in 2006
- Information and knowledge management initiative
- Objective is to promote and support effective and sustainable agricultural and rural development in Africa
- Provides analytical and knowledge support to RECs, governments, donors, other agriculture sector stakeholders
ReSAKSS Organization

- **Africa-wide and 3 regional nodes:**
  - IFPRI: ReSAKSS-AW
  - ILRI: ReSAKSS-ECA
  - IITA: ReSAKSS-WA
  - IWMI: ReSAKSS-SA

- **Key partners**
  - AUC
  - NPCA
  - RECs (COMESA, EAC, ECOWAS, SADC)

- **Funding**
  - B&M Gates Foundation, DfID, IFAD, Netherlands, SIDA, USAID