

## FANRPAN conducts a short term policy study on maize and farm inputs

By Howard K. Sigwele, Network Coordinator

**F**ANRPAN together with FEWS Net (Famine Early Warning System Network) was tasked by the SADC FANR sector to carry out a short term study to identify policy issues/constraints that could hamper the timely and efficient flow of maize grain in deficit countries as well as propose short and long term measures to avert the current food crisis in SADC. Currently the SADC region faces a cereal deficit of 5.19 million tonnes. The deficit was due to drought, excessive rains and floods, and low carryover stocks from the previous season. Crop assessments conducted jointly by SADC/FAO/WFP in May 2002 in Angola, Lesotho, Malawi, Mozambique, Swaziland, Zambia and

Zimbabwe indicate that the SADC region is facing the worst food crisis since the 1992 drought. A total of 13 million people in the region are in need of food assistance between now and April, 2003.

With this crisis in mind, the short-term policy study objectives are to:

- Gain a comprehensive understanding of the current food security-related policy environment in SADC
- Analyse the policy constraints and opportunities in selected SADC countries because of their serious food deficit status
- Ensure an understanding of the existing national and regional food security policy environment among policy makers in SADC
- Provide short and long term policy options/recommendations and strategies to improve food security in SADC.

The study is divided into three inter-related phases. These Phases are as follows:

**PHASE 1: Gathering and Synthesis of the Required Policy Information.** A policy matrix was developed to understand the current food security related policy environments in all SADC countries. This phase is now complete.

**PHASE 2: Rapid Food Security Policy Analysis for SADC Countries most affected by drought.** This phase will synthesise Phase 1 findings in order to facilitate movement of grain from coastal ports in Tanzania, Mozambique and South Africa to inland countries of Malawi, Zambia and Zimbabwe. This phase will be completed in late August 2002.

**PHASE 3: National and Regional Policy Advocacy.** The



*Maize is the staple cereal of most SADC residents*

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final phase will ensure that the existing national and regional food security policy environments and constraints are well understood by senior decision-makers, along with options and opportunities to relieve the major policy constraints over the short and long-term to improve food security conditions. This phase will be complete by the end of September 2002. A regional Conference where all the participating countries will present their results and policy options for achieving food security at national and regional levels is scheduled for September 26, 2002 in Johannesburg, South Africa. Following the regional meeting, SADC will intensify policy advocacy nationally and regionally to achieve sustainable food security.

### PRELIMINARY FINDINGS

Based on the information from the Policy Matrix that was submitted by nine of the 14 SADC countries, the following findings have been observed:

#### Participation in cereal Trade in SADC:

The private sector takes the lead in cereal imports in Lesotho, Mozambique, Namibia and South Africa. In Botswana, while government directly imports grain, there are no barriers to private sector imports. Government is more involved in cereal imports in Malawi and Zambia. In Zambia the government contracts imports to the private sector, and may subsidize prices. In Malawi, government is the main formal importer.

In Zimbabwe, government controls grain imports and may issue import permits to the commercial sector upon application. However, foreign exchange and other market constraints in Zimbabwe are limiting commercial sector participation, and government is currently the sole importer of maize and wheat, with the exception of small quantities of food imports by humanitarian agencies.

**Domestic marketing:** Most countries encourage the commercial sector to participate in domestic marketing. However, in those countries where government also participates, private traders may find it difficult to compete, if prices are subsidized. Governments actively participating in domestic cereal markets include Botswana, Malawi, Mozambique, Tanzania, Zambia and Zimbabwe.

**Subsidies:** Some SADC Governments subsidize the price of staple food commodities either directly or indirectly. These include Malawi, Mozambique, Zambia and Zimbabwe, which

has led to price differentials in government versus private sector markets. In times of food shortages, Tanzania also subsidizes staple food prices.

**Futures markets:** Futures markets could be used as a tool to insure against future price increases/changes. This option could serve as an alternative to holding large physical reserves. Currently futures are only used by the commercial sectors in Namibia and South Africa. In Zimbabwe, the GMB reportedly traded in futures some years ago. Other countries are currently investigating the potential use of futures markets, financial facility and options markets. SADC will explore the sustainability of the various strategies to improve food supply in addition to maintaining physical stocks.

**Agricultural inputs:** In many countries, inputs are provided by a combination of government and commercial agents. Most countries assist small-scale farmers with agricultural inputs. However, there are often complaints of shortages, high prices and late delivery. In Zambia, government has been involved with fertilizer distributions, which will be subsidized for the coming season, while the private sector takes the lead in other inputs. Malawi distributes free input packs to poor farmers. In Zimbabwe, price controls on most inputs have limited private sector participation. The Government also distributes subsidized inputs to selected farmers.

### LOGISTICAL AND TECHNICAL CONCERNS IDENTIFIED DURING THE STUDY

In collaboration with the Joint SADC/WFP Logistics Advisory Center based in Harare, Zimbabwe, the following information will require a region-wide policy intervention and harmonization as part of Regional Economic and Trade Integration. The SADC Trade Protocol assumes that some of these logistical challenges are harmonized for free trade and investment within the sub-region. FANRPAN's ongoing Trade Policy Study will also shed more light on this matter.

- ◆ **Opening hours at border posts:** Opening hours at border posts among SADC countries are different making free trade difficult to achieve. When faced with emergencies such as food crisis, the different hours for opening border posts creates real food security problems. There is therefore a need for SADC to revisit the matter in order to

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streamline the process and harmonize border post opening hours.

- ◆ **Customs clearance formalities:** SADC should harmonize custom clearance procedures and make them user-friendly and time saving. These procedures and requirements should include Sanitary and Phyto-sanitary (SPS) conditions to control the spread of diseases and pests. Fulfilling custom formalities has kept trucks with emergency food for several hours and sometimes days at border custom posts. Not only does this delay the timeous flow of food and farm inputs, it also raises the cost of achieving food security. A One-Stop Service-Centre in all SADC countries to handle custom clearance formalities could be a better option.
- ◆ **Road Toll Charges:** SADC countries levy different Road toll charges for the maintenance of their roads. Besides the road toll charges being levied in most cases in US dollars (a very expensive

currency/price for poor SADC countries), the charges themselves increase the price of food to the highly vulnerable groups. Again SADC should speedily resolve this and come up with a long-term solution to benefit other sectors of the economy including food security.

- ◆ **Import of GMO Food:** Commodities with Genetically modified organisms (GMO) have been a contentious issue at various international fora including the WTO, WHO and the FAO. It is imperative for SADC to provide guidance on GMO products.

The Lusaka Food Emergency meeting agreed on short and long term measures for agricultural recovery. These measures include access and efficient distribution of farm inputs, reforming price policies to encourage farm investment and production. The participation of the private sector in farm input supply and overall marketing is another policy reform that requires urgent attention in some SADC countries.

## GMO Debate at the forefront in Southern Africa

Thirteen million of SADC's population face starvation as a result of various factors that affected six countries. Some of these factors include drought and other policies that were not conducive to the growth of the agricultural sector. With this in mind, SADC has sent an appeal to the World to assist in averting famine disaster in the region. According to reports, this appeal has brought to the forefront the prospect that SADC has to deal with the fact that some of the maize from countries such as the United States may be genetically modified. Reports from the various media in Southern Africa have indicated that the United States has not guaranteed that the maize it donates is free of genetically modified organisms (GMOs). This has led to heated debates among the consumers, scientists, politicians on whether GMO products are safe for human consumption. Some of the people contend that a hungry person wants food and is not concerned about what GMO will do to him/her. Others say that while people are hungry, there is human cost if it turns out that GMO maize/food makes them sick or vulnerable to certain diseases.

As this debate rages on in the region, FANRPAN, a policy analysis network in SADC would like stakeholders to debate the GMO issue seriously and come up with informed policy positions for the benefit of consumers and the environment. More scientific, medical and consumer-

driven research on GMO is necessary to allay fears and guarantee food safety.

Several countries have enacted GMO legislation in SADC and these are South Africa, Namibia and Zimbabwe. The rest of the 14 SADC states have not enacted laws on GMO. The absence of a harmonized regional position on GMO has also created operational problems in SADC especially under current food deficit conditions. GMO is a Biotechnology that uses living organisms or parts thereof to make or modify a product, improve plants or animals, develop microorganisms for specific uses. Biotechnology offers both promise and perils for the world community. In human health, it offers new ways of understanding the genetic basis of diseases and to develop diagnostic tools, drugs, and vaccines for their treatment. In agriculture and forestry, it promises new ways of harnessing and improving the biological potential of crops, livestock, fish, and trees and improves ways to diagnose and control the pests and pathogens that damage them.

Scientists want to transfer desirable qualities from one organism to another by for instance, making a crop more resistant to a herbicide or enhance its food value. However, some people may question whether genetic

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engineering is necessary to achieve these qualities. The answer is mixed as some people may find it appealing to eat rounder and smoother tomatoes. Cosmetic as the tomatoes could be, there are indeed other considerations such as human safety, social, cultural and political that calls for caution and general acceptance. In short, both the merits and disadvantages of any technology should be fully spelt out for the benefit of consumers.

Of course, biotechnology, like GMO, is a tool that has been used to raise crop yields, create drought resistant crops, early maturing crops, increase production and food security and boost nutrition among poor malnourished people in the world. In some countries, this technology has created a revolution in peasant agriculture by more than trebling the yields thereby having food security and increased incomes.

While acknowledging the potential benefits of biotechnology such as GMO, possible dangers of GMO products include:

- ◆ Possible new toxins and allergens in foods
- ◆ Damaging side effects caused by unnatural foods
- ◆ Increased use of chemicals on crops, resulting in an increase in contamination of water supply and food
- ◆ Creation of herbicide resistant weeds
- ◆ Spread of diseases across species barriers
- ◆ Loss of bio-diversity in crops
- ◆ Once released, there is no recall or containing. Many of the damaging effects are irreversible. It is therefore essential to introduce the precautionary approach.
- ◆ *Ethical issues* - there are fears that the developing countries might not enjoy intellectual property rights for providing materials for GMO technology. Transferring the animal genes into plants also raises important ethical issues for vegetarians and other religious groups.
- ◆ *Food safety* - There is a need for an open, transparent and inclusive food safety policy and regulatory process that takes into account public concerns about GMOs. Food labeling should be introduced to provide information about specific products in order to enable consumers to make informed decisions and choices about their use.

At the SADC joint meeting with the World Food programme in Lusaka, Zambia, on August 14-15, 2002, the following decisions were made. On GMO maize for humanitarian assistance, each SADC state should indicate whether it accepts or rejects the maize. For a country that accepts the GMO maize, that country must ensure that the maize is not planted but milled into flour before distribution to consumers. Further on, trade between SADC and the EU, SADC's largest trading partner, it should be observed that the latter does not accept GMO products or beef fed from GMO maize. For countries like Zimbabwe, Swaziland, Botswana and Namibia that export beef to the EU, this could adversely affect their foreign exchange earnings. The Zimbabwe's weekly Financial Gazette reports that accepting aid from countries with GMO maize may endanger access to the lucrative EU markets especially after the latter's threat by the mad cow disease.

For Zambia, the nation's scientists and researchers have urged the country to reject GMO maize until proper GMO monitoring and analysis mechanism has been put in place. Scientists in that country believe that unless there is a bio-safety policy in place, it would be impossible to identify the negative impact both long and short term. The scientists also maintain that there was no evidence to guarantee food safety for human consumption. Mozambique has also opted for an examination of the effects of GMO maize before distributing it to its citizens.

Zimbabwe might accept GMO maize provided it is directly milled before distributing to consumers and that strict control over the movement of the maize is exercised. Further, Zimbabwe has also banned the use of GMO maize seed. Malawi has accepted GMO maize. Namibia has however rejected GMO maize.

The question of GMO will continue to rage in the region. A technical SADC committee will soon be established to advise governments on GMO issues. Further, all SADC countries are required to enact GMO legislation as soon as possible.

### UPCOMING EVENTS

Workshop on dissemination of FANRPAN on-going studies  
Johannesburg, RSA  
FANRPAN Trade Conference, Gaborone, Botswana  
Gaborone, Botswana

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