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SOUTHERN AFRICA: SADC meal planning

Photo: IRIN

SADC hopes to set up a regional grain reserve by 2009

JOHANNESBURG, 22 August 2008 (IRIN) - The Southern African Development Community (SADC) has announced it will go ahead with plans to set up a regional grain reserve, while urging member states not to impose export restrictions on maize as the region grapples with high food prices.

"The recently held Integrated Committee of Ministers Meeting in Manzini, Swaziland, urged member states to remove restrictions – in fact, we have urged countries with surplus maize to sell their produce within the region," said Margaret Nyirenda, head of the SADC's Food, Agriculture and Natural Resources Directorate. "But at the end of the day it is a commercial decision - we can only advise member states to prioritise the region."

Malawi, Tanzania and Zambia all have imposed export restrictions and many other countries still have high import tariffs on maize. "These measures impede grain flowing from surplus to deficit areas within the region," said Thom Jayne, who teaches agricultural economics at Michigan State University (MSU) in the US.

"It is a travesty that 95 percent of all the grain imported by countries in sub-Saharan Africa is grown by farmers on other continents; only five percent of this grain comes from exports by neighbouring countries. This unfortunate situation is reinforced by a "beggar thy neighbour" approach to trade within the region," he said.

As an example of what regional trade can achieve, Jayne pointed out that in January 2005, "Kenya dropped its import tariff on maize from Uganda and Tanzania as part of the East African Commission trade agreement. There has been a notable improvement in maize price stability since that time."

Unrestricted cross-border movement of goods is on the cards: the SADC launched its free trade area on 17 August, in which 85 percent of goods produced and sold within the region will be exempt from customs duties.

This would apply to agricultural goods as well, said Boitumelo Gofhamodimo, acting head of the SADC's Trade, Industry and Finance Investment Directorate.

Regional food reserve

In a significant move, the SADC has revived plans to launch a strategic grain reserve to help bail out countries experiencing food shortages, as part of a pre-emptive strategy to minimise the impact of natural disasters on food security.

"The plans are now at an advanced stage and have received support because of the current global food crisis," said Nyirenda.

Various models of the proposed facility are being negotiated; the strongest contender is based on the Association of Southeast Asian Nations (ASEAN) Emergency Rice Reserve, established in the late 1970s.

In the Southern African model a 500,000 metric tonne facility, including a cash component for countries that do not have any surplus to contribute, would be set up. About 75 percent of the reserve will comprise food in kind, while the remaining 25 percent will be in the form of cash.

"The reserve, which will include a combination of cereals, will be kept in several selected countries to provide easy access around the region," said Nyirenda. The reserve is to be run by a board, and officials hope to get the facility operational by mid-2009.

Cross-border bilateral initiatives

Three SADC countries - Mauritius, Madagascar and Mozambique - have established a regional food company funded by the World Bank's Global Food Crisis Response Facility. Under this initiative, Mauritius and Madagascar, which have limited agricultural land, plan to grow food in Mozambique.

"We support such bilateral initiatives to boost food security, but we are concerned in instances where land is being leased or purchased for biofuel production at the expense of food production," said Nyirenda. "We are busy formulating a regional policy on biofuel."

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