

STAPLE FOOD TRADE AND MARKET POLICY OPTIONS FOR PROMOTING DEVELOPMENT IN EASTERN AND SOUTHERN AFRICA

A workshop organized by the FAO Trade and Markets Division

March 1-2, 2007

FAO Headquarters in Rome, Italy (Lebanon Room D209)

March 1, 2007

08:45 **Welcome and introduction to the workshop**
Alexander Sarris, Director Trade and Markets Division, FAO

9.00-11:00 **Session 1: The context**
Chair: David Hallam, Chief ESTT, FAO

Major issues to be addressed in this session:

- *The global setting and how it affects and is affected by E&SA staple food trade.*
- *The potential for increased staple food production in E&SA?*
- *Overall state of agricultural trade policies*
- *Main impediments to agricultural productivity growth and food security that could be affected by trade policy.*
- *Major policy challenges*
- *Empirical insights to frame and inform discussions on agricultural trade policy in the region.*

Presentations

- Patterns of trade and trade policy interventions in agricultural and food staples markets in E&SA and globally - Alexander Sarris, FAO
- The organization and performance of food staples markets in E&SA: Major policy issues and challenges - Thomas Jayne, Michigan State University and FAO
- Prospects for additional staple food production in E&SA and implications for regional trade - Nick Minot, IFPRI

11:00-11:30 **Coffee break**

11.30-13.00 Session 2: Trade policy in the context of agriculture and food markets in Eastern and Southern Africa

Chair: Alexander Sarris, FAO

Major questions to be addressed in this session:

- *Given what we know about the region, as well as theoretically about trade and growth, is there a case for deviation from free trade principles and policies in the presence of, market imperfections, infant industries, agro-industrialization and the need for diversification and value addition, and other conditions pertinent to agricultural and food industry development?*
- *What are the most promising trade policy options to promote agricultural productivity growth and food security in the region?*
- *What are the underlying principles and assumptions for regional free trade coupled with a common non-zero external tariff?*

Presentations

- Will Masters, Purdue University
- Ed Buffie, University of Indiana
- Pranab Bardhan, University of California, Berkeley

13:00-14:00 Lunch break

14.00-16:30 Session 3: Identifying market imperfections in food staples market chains in Eastern and Southern Africa

Chair: Akin Adesina, Rockefeller Foundation

Major issues to be addressed in this session:

- *What are the main sources of high food marketing costs?*
- *How well are geographically disperse staple food markets in E&SA connected?*
- *What can governments and private firms do to reduce the costs and risks borne by farmers, traders, and consumers in the food marketing systems in the region?*
- *What is the role of trade policy in addressing these problems?*

Presentations

- Margins across space and time: what are the determinants? - George Rapsomanikis, FAO
- Margins along the value chain in Africa: what are the determinants? - Jo Swinnen, University of Leuven
- Spatial and vertical price transmission: what is the evidence? - Awudu Abdulai, University of Kiel
- Staple food margins and trade policy in Africa - Piero Conforti and Alexander Sarris, FAO

16:30-17:30 Session 4: Insights from Day 1

Moderator: Thomas Jayne, FAO

This session will provide an opportunity for open discussion in an attempt to draw insights/conclusions from papers/discussions of day 1 on the role that trade policy can play in association with/in addition to domestic policy interventions

18:00-19:30 Workshop Reception. Aventino Room, FAO

March 2, 2007

08.45-11.30 Session 5: Constraints to supply response: practicalities of intervention. Chair: Colin Poulton, Imperial College

Major questions to be addressed in this session:

- *What do we know about the marketing structure and behavior of smallholder farmers that affect the costs and benefits of alternative trade policy options in the region?*
- *What are the opportunities and limitations of informal cross border trade in promoting small farm productivity growth, price stability, and food security in the region?*
- *What are the opportunities and limitations of food assistance programs in promoting small farm productivity growth, price stability and food security in the region?*
- *What are the implications for marketing and trade policy?*

Presentations

- Smallholder Market Participation - Chris Barrett, Cornell University
- Informal cross border trade - Peter Little, University of Kentucky

- The role of food aid in affecting regional trade in staple foods - Paul Dorosh, World Bank
- Opportunities and Constraints to Enhancing Intra-Regional Trade in Basic food products in East and Southern Africa - W. Ogunkola, University of Ibadan, Nigeria and Suffyan Koroma, FAO

11.30-13.00 Session 6: Experiences of current trade policies in E&SA and relations to agricultural development policies.

Chair: Chris Muyunda, COMESA

Major issues to be addressed in this session:

- *What are the major policy concerns giving rise to existing food marketing and trade policies in E&SA countries?*
- *Are national marketing and trade policies compatible with national food policy objectives?*
- *Are national trade policies compatible with regional and international trade protocols?*
- *What are the policy options being considered in each country to promote national policy objectives?*

This session will comprise a series of short national-level presentations which will assess the extent to which current staple food marketing and trade policy interventions are consistent with conclusions reached in earlier sessions. What are the real political situations faced by policy makers and the problems they face internally in moving to more open regional trade.

Presentations

- Ethiopia - Amdissa Teshome
- Kenya - James Nyoro
- Malawi - Ephraim Chirwa
- Mozambique- Danilo Abdula
- South Africa- Lulama Ndibongo Traub

13:00-14:00 Lunch break

14.00-15:30 Session 6: Experiences of current trade policies in E&SA and relations to agricultural development policies (continued).

Chair: Stephen Njukia, East Africa Grains Council

Presentations

- Tanzania - Andrew Temu
- Uganda - John Magnay
- Zambia - Jones Govereh

15:30-16:00 Coffee break

16:00-17:30 Session 7: Conclusions and the way forward.

Chair: Alexander Sarris, FAO

The objective of this session is to summarize the conclusions of the workshop, highlight areas where knowledge is still incomplete and further analysis is needed, to review areas of consensus concerning policy issues, and policy areas where there are differing views, and in general to identify robust policy recommendations.

- The views of the private sector.
- Open Discussion
- Summary comments: Jamie Morrison and Thomas Jayne