



Rising food prices in eastern and southern Africa revisited: Lifting trade barriers is still the answer



In this issue, we revisit food price trends across eastern and southern Africa, a topic we focussed on in our first issue, in July 2008, just after the global food price crisis had peaked. We also draw attention to policy responses to the food price crisis, and provide an outlook for food prices in ESA for the rest of 2009.

Although the Global Food Price Index (FPI) of the Food and Agriculture Organization (FAO) fell between June 2008 and February 2009, global food prices have been rising slightly since then. Changes in the Global FPI were matched by a persistent increase in FPIs in countries belonging to the Common Market for Eastern and Southern Africa (COMESA),

except for Malawi and Comoros, which have experienced very volatile FPIs. On average, the prices of white maize, beans, milk, and non-tradable food items such as bananas, potatoes and yams all increased between January 2007 and January 2009.

White maize is the staple grain in Tanzania, Kenya, Zambia and some parts of Ethiopia. In Uganda, it is grown mainly as a commercial crop for export to the region. Ethiopia, Kenya, Zambia, Uganda, and Tanzania have all seen substantial increases in maize prices from early 2007 – and there were no signs of decrease as of March 2009, apart for Zambia. The prices in these countries seem to be linked, perhaps due to cross-border trade and shortfalls of maize production within East Africa. For the season ending March 2009, maize supply in Kenya was constrained by reduced imports from Tanzania and Uganda during 2008/09 due to tightened markets in those countries as well as a trade ban in Tanzania – which led to prices almost 120% above normal. Similarly, from January 2007 to January 2009, bean prices have risen in Kenya, Uganda, Rwanda, Zambia and Tanzania.

While global prices for powdered milk have been steadily decreasing since March 2008, milk prices in Djibouti, Ethiopia, Uganda and Zambia have kept rising, albeit at differing paces, and milk prices in Ethiopia have shown no signs of significant fall since the start of 2007.

With prices for tradables such as maize and beans rising, food consumption patterns might shift towards non-tradables including cooking bananas and root crops such as cassava and potatoes. Any increased demand for the latter would increase their prices significantly. The price of white Irish potatoes in Kenya rose by about 79% in just one year, between the first quarters of 2007 and 2008. In the same period, the price of teff in Ethiopia more than doubled. These results suggest that teff is used as a substitute for maize in Ethiopia, just as Irish potatoes are likely used as a substitute for maize in Kenya.

To address the rising food prices, governments in eastern and southern Africa have implemented various measures such as reducing consumer taxes on food; releasing national food stocks, and importing foods; and implementing social safety nets, cash transfers and school feeding programs to help the vulnerable. In their financial budgets for 2009-2010, the governments of Kenya, Tanzania, Uganda and Rwanda allocated substantial spending to improve poor infrastructure, which constrains the movement of food from food-surplus to food-deficit areas.

The outlook for food prices across the region in the second half of 2009 is mixed. Food insecurity is likely to increase in Ethiopia, Kenya and Tanzania in the near future. Without measures to increase food supply massively, lack of food in Ethiopia will further increase food prices and cause many more people to go hungry. With their low stocks of maize and poor maize harvests expected in 2009, both Kenya and Tanzania will have to import significant amounts of maize this year. But Uganda and countries in southern Africa, which have had good harvests this year, might be able to help Kenya and Tanzania meet their import requirements – assuming that southern African countries lift their export restrictions.

Zambia appears to be planning to lift its export restrictions, but not Malawi. South Africa has no maize trade restrictions: Kenya imported maize from the country in June 2009. As we reported a year ago, research indicates that policy barriers should be lifted, and trade restrictions revoked, to allow food to move from food-surplus to food-deficit areas. Enhancing regional trade would improve food distribution, sales and access while helping to stabilise food prices.

Read the full report:

The full report, the second in a series providing updates on the food situation in eastern and southern Africa, is available at: http://www.asareca.org/resources/reports/resp2food_pr_main.pdf
Or by contacting jkarugia@cgiar.org, lead author of the report.

For related updates visit:

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The collective action underpinning the research:

This initiative is a joint effort by researchers from CGIAR Centers, the Regional Strategic Analysis and Knowledge Support System (ReSAKSS) and Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA), in collaboration with East African Grain Council, Ethiopian Development Research Institute, Economic & Social Research Foundation, Kenya Institute for Public Policy Research and Analysis, Plan for Modernization of Agriculture in Uganda, and TEGEMEO Institute of Agricultural Policy and Development.

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Saying Goodbye to Ravi Prabhu

By Evelyne Katingi



I have learnt that goodbyes are not only tough for the people leaving but also for the ones being left behind.

After a great 15 years, 10 August 2009 marked the last day in the CGIAR for Dr Ravi Prabhu, who has been Coordinator of CGIAR

Collective Action in Eastern and Southern Africa for the past two and a half years.

Having worked with Ravi for close to two years now, I must acknowledge that I will miss a great boss and a mentor, more specifically his wit, counsel, support, critical thinking, among others. Not only did he know what to say and how to say it but most importantly when to say it. He had a word for each season making him an all season communicator. He had a way of making me (and I believe others working with him) feel appreciated, gave credit where it was deserved, and acknowledged everyone who made a contribution.

In Ravi's own words the transition plan mapped out will *"build explicitly on our achievements in engendering collective action within the four Flagship Programs, our editorial team at Collective Action News, our collaboration with the ICT-KM program in delivering the 'ESA Map' online database of research and other elements of the collective action that we have initiated"*

In Stephen Covey's words: *With an agreement (read vision) in place employees can manage themselves within the framework of that agreement. The manager can then serve like a pace car in a race. He can get things going and then get out of the way. His job from then on is to remove the oil spills.*

I believe Ravi has done far more than that. Being the good manager that he is, he made us co-own the vision and I am convinced that the team he built is keen to realize the CGIAR mission in the eastern and southern Africa region through better alignment of research activities, more effective collaboration and dynamic integration of research programs.

I thank Ravi for his contribution to the CGIAR and wish him all the very best in his new assignment.

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