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Africa's once-and-future food crisis



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A global or regional food crisis comes along every two to three years, the author writes | AP Photo
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The food crisis is happening again.

Global food prices are now at all-time highs — higher than in 2008, when the global food price crisis saw more people hungry than at any time in history. Given how much the cost of food depends on the price of oil, turmoil in North Africa and the Middle East is almost guaranteed to drive food prices still higher.

This crisis — threatening millions — could be among the worst tragedies of recent years, particularly in Africa. But it should not be a surprise.

A global or regional food crisis comes along every two to three years, usually met with pledges that mostly fail to address the underlying causes. Key voices call out factors that contribute to the problem, like global demand for biofuels, but few examine the entire picture. Worse, African governments tend to take short-term steps that lengthen and deepen the crisis: For example, barriers and export restrictions that reduce trade in foodstuffs.

In past crises this has meant large surpluses in some countries are unable to reach

hungry people just a border away. Trade restrictions amplify price volatility, leading to hoarding and even higher prices.

In the long run, uncertain food trade rules inhibit investment of capital, both financial and human, in the production of more food. If they cannot get crop surpluses to market, small farmers won't produce them — planting just enough for their families.

This is what happened in 2008. It meant another 40 million hungry people, and undermined efforts to build up Africa's production and marketing systems.

Let's stop this déjà vu hunger cycle. The United States, backed by its G20 partners, the World Food Program, the World Bank and the International Finance Corporation, should convene a high-level summit of African leaders, major donors and key investors and private sector companies active in Africa.

First, African governments must bring to the summit pledges to keep their borders open for trade in food and refrain from the export bans and restrictions. They should also bring pledges to begin dismantling the existing internal barriers, like the hundreds of unnecessary road checkpoints.

The return for them could be virtually automatic: Increased investment by companies, whose traditional complaint about Africa has been its many artificial obstacles to doing business.

However, other investment is also needed. As part of the response to the last food crisis, international donors established the Global Agriculture and Food Security Program at the World Bank, of which the IFC is expected to receive an initial \$200 million to invest in developing country agriculture, in large part in Africa, to improve food security. These largely unexpended funds could be used now to defray some of the capital costs that make working with small farmers less profitable. It could also go to improving infrastructure — particularly irrigation.

The Intergovernmental Panel on Climate Change warned in 2007 that, within a decade, non-irrigated crop yields in many African countries would be halved, and only 4 percent of the continent's crops are irrigated. The IFC money could be catalytic, unleashing millions more dollars in commercial investment capital.

The summit should also focus on U.S. trade policies. Overall, U.S. agricultural imports from Africa are relatively low—only \$1 to \$1.3 billion per year—as compared to, for example, European imports, which are around \$15 billion.

Washington has claimed that trade preferences, like those offered under its African Growth and Opportunity Act, are sufficient to open U.S. markets to Africa. AGOA has indeed helped a limited number of countries and industries. But it has not established broad-based benefits for those most in need of help. It is beleaguered by product exclusions, lack of capacity and complicated sanitary and phytosanitary standards, which

all limit food trade. These U.S. trade programs can work better to allow Africans to export more.

In the past, Washington has convened high-level summits that have delivered real, action-oriented results. The Clinton administration's successful efforts to secure pledges on investment in Northern Ireland as part of the peace process there is a leading example. The right players came to the table, bringing the right pledges and navigating a complex political environment to achieve lasting change.

The proposed African food security summit may seem highly ambitious. But nothing less will do if we are to rise to the challenge of the food crisis looming over Africa and put in place the foundations of a longer-term solution.

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