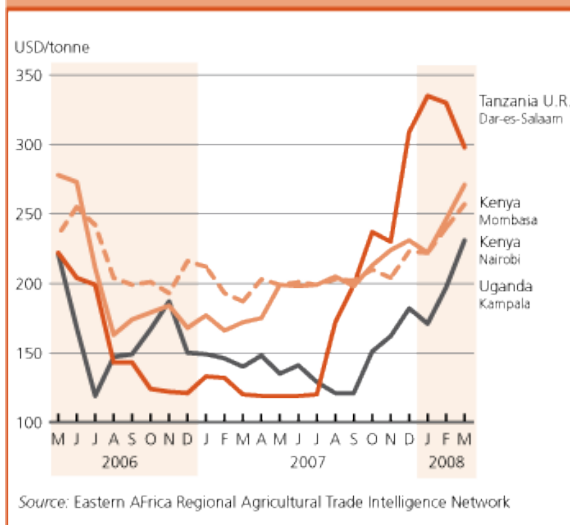


Statement on the food price crisis in Africa

International cereal prices have risen further in past months, reflecting steady demand. By the end of March, prices of wheat and rice were about twice their levels of a year earlier, while those of maize were more than one-third higher. In the areas of Africa where CIMMYT works on maize (see figure and box below; table on back), most countries are net importers of grain. Many of these nations—and significant sectors of their poor—lack purchasing power, and so cannot respond effectively to increasing food, fuel, and fertilizer prices.

Figure 4. Maize prices in selected Eastern Africa markets



Maize harvests and prices in eastern and southern Africa have been affected by social conflicts, poor weather extremes, and lack of effective markets, compounding global trends. The figure shows maize price trends for several countries in eastern Africa.

In southern Africa, current prices of maize are well above their corresponding levels a year earlier. In South Africa, the March 2008 price was 13% percent higher than a year ago. In Mozambique, the price in March of MZN 8.57 per kilogram was 43% higher than for the corresponding month in 2007.

Snapshots from eastern and southern Africa

- Despite good national harvests and economic growth in **Ethiopia**, crop-dependent and pastoral and agro-pastoral populations in the eastern half of the country remain food insecure. Ethiopia's general consumer price index has risen steadily since 2002 and has reached double-digit levels since 2005, strongly influenced by the food component of the consumers' basket.
- In **Kenya**, the post-election crisis has reduced food supplies for normally food-secure households. About 830,000 people currently require emergency assistance, and food availability will be below normal due to disruptions in planting activities for the 2008 long-rains harvest.
- In **Uganda**, food prices have increased unseasonably, due to local and regional demand and high transport costs. Potentially high demand from Kenya could maintain upward pressure.
- The food security situation in **Zimbabwe** is critical, as the country passes through the peak of the hunger season. Maize crops were damaged by flooding in late 2007-early 2008, and are now threatened by drought. Of the estimated 1.03 million tons of cereal imports required for the marketing year of April 2007-March 2008, as of late March some 80% had been imported. High inflation, dwindling foreign exchange reserves, and rising food prices are affecting supplies.

Wheat production in Africa is threatened by the emergence of a highly-virulent new strain of wheat stem rust disease, Ug99, which first appeared in Uganda and has spread to fields in Kenya, Ethiopia, and the Middle East. If resistant varieties are not deployed quickly, disease-related crop losses could drive up wheat prices, particularly affecting smallholders' incomes and food security.

Price increases (US\$ per ton) for maize grain and fertilizer in selected countries of eastern and southern Africa during 2007-08. Sources: Agricultural Commodity Exchange, Lilongwe; Ministry of Agriculture, Mozambique; Origin Agricultural Dealers Company, Lusaka.

	Uganda	Kenya	Tanzania	Malawi	Mozambique	Zambia	South Africa
Maize	162 to 265 (64%) Dec 07-Apr 08	212 to 278 (31%) Dec 07-Apr 08	230 to 293 (27%) Dec 07-Apr 08	85 to 215 (153%) Apr 07- Apr 08	170 to 260 (53%) May 07-May 08	160 to 305 (91%) May 07-Apr 08	237 to 233 (-2%) Dec 07-Apr 08
Fertilizer (NPK)				500 to 1,095 (119%) 07-08	440 to 600 (36%) 07-08	550 to 1,000 (82%) 07-08	
Fertilizer (Urea)				430 to 1,000 (132%) 07-08		510 to 685 (34%) 07-08	

Near-term fixes

Emergency food aid or subsidies are in order to remedy immediate humanitarian crises. To avoid possible market distortions (artificially low prices) that discourage farmers and traders, one approach is to give money or vouchers to the poorest to purchase food through local channels.

Rapid investments are required in national research and extension agencies and in seed production systems to increase crop outputs. Countries that consistently depend on food imports are very vulnerable to price swings. Farmers urgently need access to seed of new crop varieties, fertilizer and other inputs, information about appropriate, resource-conserving crop management practices, and market opportunities. In the case of maize, research has resulted in new varieties with increased tolerance to drought and low soil fertility, and resistance to weeds, diseases, and insect pests. Wheat varieties with resistance to Ug99 are also becoming available.

For the longer term

More than 70 percent of people in Africa rely on agriculture for their livelihoods and food security. To make it productive and the basis for thriving economies and widespread income generation, governments and funding agencies must make consistent and increased investments in agricultural research for development, in effective markets, in value-adding industries, and in decentralized access by farmers to information and new technologies that give high returns without environmental damage, including:

- More productive crop varieties that yield more while using resources (water, fertilizer) more effectively. *(Requires support for global and regional research and partnerships to develop, test, and share varieties.)*
- Conservation agriculture practices: reducing tillage, keeping residues on the soil, and strategic use of rotations can cut costs, make better use of scarce water, and keep soils healthy. *(Requires trained, multi-disciplinary researchers and extension workers, farmer participation in testing, alternatives for use of crop residues as feed, access to inputs like herbicides, and new development models and perceptions concerning the need to plow.)*
- Other cost-effective, market-oriented soil fertility management options (for example, use of legumes and fertilizer trees) that also provide opportunities to sell produce, such as groundnuts or soybeans. *(Requires investments in seed companies and other input providers, farmer organizations with know-how, access to credit.)*

There is also a need for effective public/private partnerships to bring advanced technologies to farmers and to market and add value to their products.