

**Progress Report for Third Quarter (April – June), FY 2008**  
**Africa Bureau Associate Award**  
**to MSU Food Security III LWA Agreement**

**1. Highlights**

Since the last report covering the period September 2007 through March 2008, MSU researchers have been drawn on very heavily by USAID Washington and country missions, by NEPAD/CAADP, and by COMESA colleagues to provide analysis and policy recommendations in response to high international food and fertilizer prices. In addition to planning the quick preparation of several policy briefs, in part to address the resurgent tendency to impose or reinforce internal and regional trade barriers, MSU researchers have advocated for 1) a regional response to food insecurity and 2) for trade to be seen as an opportunity rather than a threat in a context of high and unstable prices. Outreach directly related to Africa Bureau is reported below and related outreach of potential interest to Africa Bureau is contained in Appendix 1. Related Policy Syntheses and working papers are listed in Appendix 2.

At the request of Africa Bureau staff, MSU has also prepared a review of key analytical issues pertaining to CAADP Pillars 2 and 3 that need to be resolved in developing a Regional Compact and follow-on investment plan. The review, included as part of this report, identifies areas of consensus and lack of consensus among technical analysts, areas where government practices sometimes diverge from the technical consensus on best practice, the impact of the current food crisis on government behavior and on research and outreach challenges, and the contribution to the different issue areas of MSU's activities under the AFR Associate Award. In general we find that there is a much stronger consensus among researchers than between researchers and policymakers. The gap has widened with the recent increase in level and volatility of food and fertilizer prices on international markets. MSU applied research topics are focussed on providing empirical evidence that can be packaged for policymakers to broaden the consensus on the constructive role of regional trade in food staples. One area highlighted as needing more emphasis in the current Africa Bureau/COMESA/MSU research portfolio is risk management in input and output markets, and specifically the potential integration of risk management tools in national and regional food staple value chains.

COMESA has struggled to put in place an organizational platform to move ahead with a Regional Compact and investment plan for CAADP Pillars 2 and 3. A conference call with Jeff Hill and Tom Hobgood of Africa Bureau and Cris Muyunda of COMESA was organized in July. Muyunda requested MSU to assist by sending a senior MSU staff member for 20 days to COMESA headquarters. MSU agreed to provide that support. On reflection, however, we believe that a more effective approach to furthering the development of a Regional Compact and investment plan would be to recruit a senior person for a two-year assignment at COMESA headquarters. We therefore recommend and request additional funding from Africa Bureau to

cover half of the cost of recruiting such a person, beginning 1 October 2008. We anticipate leveraging funds from Gates Foundation and/or COMESA to cover the other half of the cost.

## **2. Detailed Progress Report**

### **2.1 Outreach support to COMESA in CAADP Compact Design and Implementation**

David Tschirley, Jones Govereh, and Michael Weber. “*Findings from FSRP Research on Food Staples Markets: Implications for Investment Priorities to Promote Regional Trade*”. Presented to ACTESA design team in Lusaka. April 18, 2008.

<http://aec.msu.edu/fs2/zambia/BackgroundBriefing.pdf>

Valerie Kelly, Nango Dembélé, and John Staatz “*Potential Food Security Impacts of Rising Commodity Prices in the Sahel*.” Presented to a USAID on May 8, 2008.

[http://www.aec.msu.edu/fs2/outreach/Potential\\_Food\\_Security\\_Impacts\\_Rising\\_Commodity\\_Prices.pdf](http://www.aec.msu.edu/fs2/outreach/Potential_Food_Security_Impacts_Rising_Commodity_Prices.pdf)

Duncan Boughton participation and presentation on supply response in a regional trade framework at AU-NEPAD Food Security Workshop in Pretoria May 19 – 23. The presentation was titled: “*CAADP Pillar 3. Underlying Principles for Increased Food Supply*”. Steve Haggblade was co-author of the presentation.

[http://aec.msu.edu/fs2/outreach/CAADP\\_Pillar\\_3\\_supply\\_response.pdf](http://aec.msu.edu/fs2/outreach/CAADP_Pillar_3_supply_response.pdf)

Thom Jayne, Duncan Boughton and Eric Crawford participation and Jayne presentation at the USAID/Africa Bureau Seminar on “Expanding Fertilizer Markets in Africa,” Washington, D.C., June 4, 2008. The presentation was titled: “*Research Findings on Raising Smallholder Fertilizer Use: Lessons from Kenya*.” [http://www.aec.msu.edu/fs2/inputs/power\\_points/USAID-KenyaFertilizer\\_June\\_4-2008.pdf](http://www.aec.msu.edu/fs2/inputs/power_points/USAID-KenyaFertilizer_June_4-2008.pdf)

Steve Haggblade chaired the launch of the Acceleration of Cassava Utilization Task Force Policy Working Group working group, Lusaka, June 17, and gave a presentation entitled: “*Background for the Launch of the ACU Working Group on Cassava Policy Issues*.”

[http://www.aec.msu.edu/fs2/zambia/ACU\\_cassava\\_policy\\_working\\_group\\_background.pdf](http://www.aec.msu.edu/fs2/zambia/ACU_cassava_policy_working_group_background.pdf)

Steve Haggblade participation in a brainstorming session: Cassava Transformation in Southern Africa (CATISA) priority next steps, Lusaka. June 20

#### **Undertaken after the reporting period**

Jones Govereh. Presentation of MSU work funded by Africa Bureau and Re-SAKSS at the IFDC policy workshop on “Strengthening Trade in Agricultural Inputs in Africa: Issues and Options” Organized by COMESA and IFDC, sponsored by the Hewlett Foundation and USAID, Lusaka, 1-4 July, 2008. The presentation was titled: “*Fertilizer Subsidies and Sustainable Agricultural Growth in Africa: Current Issues and Empirical Evidence from Malawi, Zambia, and Kenya*”. Co-authors of the presentation were Isaac Minde, T.S. Jayne, Joshua Ariga, and Eric Crawford.

[http://aec.msu.edu/fs2/inputs/power\\_points/IFDC\\_fert\\_Lusaka\\_July-2-2008.pdf](http://aec.msu.edu/fs2/inputs/power_points/IFDC_fert_Lusaka_July-2-2008.pdf)

David Tschirley provided input to University of KwaZulu Natal's efforts to help develop consumption indicators for monitoring progress under the NEPAD Framework For African Food Security (FAFS). July 9.

Steve Haggblade, Duncan Boughton and Nango Dembele participation at USAID food security strategy meeting in Washington DC August 5. A presentation had been prepared for this meeting by Haggblade. It was titled: "*Input for USAID's Food Security Framework.*"  
[http://www.aec.msu.edu/fs2/responses/usaids\\_fs\\_framework\\_inputs\\_haggblade\\_08\\_5\\_2008.pdf](http://www.aec.msu.edu/fs2/responses/usaids_fs_framework_inputs_haggblade_08_5_2008.pdf)

Steve Haggblade participation at the USAID Framework for Global Food Security draft discussion, Washington DC, August 8.

## **2.2 Applied Research and Policy Analysis**

### **2.2.1 Identification of Key Analytical Agenda Related to CAADP Pillars 2 and 3**

This section identifies major topic areas covered in the CAADP Pillar 2 (trade and investment) and Pillar 3 (food security) Continental Reports, and reflects a careful review of those reports combined with general knowledge of the issues within the FSG team. The two Continental Pillar reports reflect a broad synthesis of views of public and private stakeholders across the African continent. Many if not all of the issues identified in Areas B and C emerged at the most recent COMESA Annual Meetings in March 2008, highlighting stakeholders' demand for analysis and clear policy advice. While necessarily selective, the topics identified here cover the broad range of issues in the two pillar papers, but are not limited to topic areas that FSG typically focuses on.

#### **A. Key areas of broad consensus within the technical community**

1. Need for greater public goods investment in support of smallholder agriculture (crop science and technology, physical infrastructure, improved farmer know-how).
2. Advantages and synergies from taking a regional approach to developing and disseminating productivity enhancing technologies, especially for food staples.
3. Need for a dramatic expansion in regional trade in these staple foods, and the need for certain actions to facilitate this:
  - a. Reduced trade policy barriers (e.g., export bans) and streamlined customs clearance procedures.
  - b. Reduced policy uncertainty with respect to trade.
  - c. Regional approach to investment in infrastructure.
  - d. Regional approach to regulatory frameworks on seed, bio-safety, phytosanitary and animal health issues.
4. Need to promote emergence of small-scale food processing enterprises such as hammer milling of maize, and the importance of policy reforms (especially more open regional trade) in achieving this.
5. Need for investment in women's education.

6. Need for emergency response and safety net programs to be carried out in ways that enhance the capacity and development of food markets and help drive productivity and income growth.
  - a. Scope for a combination of cash transfers (conditional and unconditional) and in-kind transfers, depending on analysis of markets and needs (need for analysis to help assess when and how much cash vs in-kind).
  - b. Need to enhance contribution of regional trade to emergency response.
  - c. Desirability, whenever possible, to use local food resources to supply food assistance programs, both in emergencies and for safety net and development programs.

**B. Key areas lacking consensus within the technical community**

1. The feasibility of following “smart subsidy” guidelines in input subsidy programs, and the costs and benefits of such programs, especially on inputs such as fertilizer.
2. The costs and benefits from public stock-holding of food staples:
  - a. Especially the potential negative influence of public stock-holding policies on openness to private food trade (the issue of policy inter-dependence).
  - b. The pros and cons of relying on stockpiling vs. trade as a means to ensure national food security. What is the appropriate balance of national stockpiling vs. reliance on trade?
  - c. The feasibility of utilizing on a wider basis contract-based approaches to mitigate food price and supply instability, such as crop insurance and the options contracts recently utilized by Malawi with assistance from World Bank.
3. Related to 1 and 2 but more generally, the extent to which social protection systems can be expanded while simultaneously making the needed increases in expenditure on infrastructure and productivity programs. One key issue on which there is lack of technical agreement is the size and time horizon of productivity effects from social protection programs; if these are large and do not occur only in the long-run, the magnitude of trade-offs between traditionally understood “productivity” investments and expenditure on social protection is reduced.
4. The costs and benefits of food fortification laws in poor African countries, especially their impact on the viability of small-scale food processing such as hammer milling of maize grain. This issue involves the impact of such laws on the cost of food to (poor) consumers, and the related effect on consumption levels, compared to the benefits of the fortification. (Note: in our view, this issue does not belong in the top tier of priority issues for smallholder poverty reduction and productivity growth.)
5. The efficacy and efficiency of expanding production and consumption of bio-fortified foods such as orange-fleshed sweet potatoes and yellow rice compared to more direct nutritional interventions such as vitamin A capsule distribution and the food fortification referred to in previous point.

**C. Key areas where government practice routinely or periodically departs from technical consensus on best practice**

1. Investment:
  - a. Governments routinely fall short of dedicating 10% of their budget to agriculture.
  - b. Within the resources that they do apply to agriculture, spending for investment in long-term productivity growth is typically much smaller than spending for domestic staple food market interventions and input subsidies, despite a near consensus within the research community that public goods investments in R&D, physical infrastructure, and farmer knowledge provide higher payoffs than input subsidies.
2. Trade policy:
  - a. Most governments routinely create uncertainty on regional trade through inconsistent statements and actions.
  - b. There has been little harmonization of phytosanitary, transport, and other regulations regarding regional trade.
3. Stock holding:
  - a. Governments that hold stocks tend to manage them in a highly discretionary and erratic manner, adding to uncertainty for the private trade.
  - b. Such stock holding tends to be associated with (and may be functionally related to) heavy controls over private regional trade in food staples.
4. Input market policies:
  - a. Kenya has been successful in liberalizing input markets, with positive effects on input availability.
  - b. In most countries with input subsidy programs, these programs partially crowd out private investment; their stated objective of enhancing private sector capacity is contested within the research community.
5. Emergency response:
  - a. Governments typically inhibit markets more during emergencies than they do during non-emergency periods.
  - b. Heavy reliance on in-kind food aid; cash transfers still make up a very small share of total assistance.
  - c. Lack of coordinated planning and use of markets to meet needs (related to cash transfer issues).

**D. Impact of the current food crisis on government behavior and on research and outreach challenges**

1. A strong tendency to restrict trade more, not less:
  - a. Export bans in Zambia, Malawi, Tanzania.
  - b. Mozambique has prohibited the “bicycle trade” and placed a ban on exports to Malawi. (Though the ban was later removed, it added substantially to policy uncertainty.)
  - c. The problem of local authorities taking trade-related action that is contrary to or goes beyond established national policy, may re-emerge. For example, local

authorities in Mozambique have renewed attempts to keep Malawian traders out, in the name of food security.

2. Greater emphasis on public stock-holding:
  - a. Zambia, Malawi, and Kenya continue with their policies.
  - b. Mozambique has placed a tender for building publicly owned food silos.
3. In summary, the current food price environment threatens to widen the gap between widely accepted (among technical analysts) good practice and actual practice on trade policy and stock holding.
4. Potential to dramatically increase investment in productivity-enhancing technology and extension, but too early to tell whether this will happen. Note that greater openness to trade would likely increase the return to investment in productivity, so the tendency to restrict trade more in this environment raises questions about the payoff to these much needed investments.
5. Regarding local and regional procurement of food aid:
  - a. Higher prices are expected to increase the number of households requiring food assistance.
  - b. As per point 4, higher prices also create the possibility of increased investment in farm level productivity.
  - c. In many countries of Africa, investments in food crop productivity have often been undermined by inability to find a market for surpluses, due to high transport costs, poor quality, and under-developed contracting procedures.
  - d. Especially in the medium-run, local and regional procurement of food aid could be more important than ever, since it would simultaneously address the need for greater food assistance and the need for market demand to absorb greater production. In the short run, care must be taken that LRP not push local prices higher than they already are.
6. Research question: what will be the impact of the high food price environment on incentives to produce important income-earning activities such as cotton, horticulture, oilseeds, and dairy?

#### **E. The contribution of MSU's AFR work plan**

To facilitate the development of a Regional Compact and investment plan, AFR needs to support two broad types of research and outreach:

1. On Area B: Research aimed at resolving issues that lack a technical consensus. Dialogue in this area needs to be directed primarily to fellow analysts, though government and other stakeholders will also be part of the audience.
2. On Area C: Research that contributes fresh information and innovative packaging of that information to dialogue with government regarding issues that are largely settled from a technical standpoint but on which government practice frequently departs from this technical consensus. Research continues to be necessary on such issues because policy change never follows in linear form from technical consensus; all of this should be informed by the current environment of high food prices.

Below is a mapping of each of the analytical items in MSU's AFR work plan into each of these two categories.

**Area B: Research and outreach on areas lacking technical consensus**

<b>Area</b>	<b>MSU-FSG output contributing to this issue</b>	<b>Comments</b>
Smart subsidies	Output 11, Output 12	
Public stock-holding		Previous work has dealt specifically with this issue (WB work with Byerlee, Jayne, Myers)
Costs and benefits of expanding social protection programs		FSG has done no technical work to date on the potential productivity effects of social protection programs or on the extent to which they compete with more traditional investments explicitly focused on increasing productivity
Costs and benefits of food fortification laws		Previous work on the rise of the small-scale processing and trading sector has touched on these issues

**Area C: Research and outreach on areas where government policy routinely departs from technical consensus**

<b>Area</b>	<b>MSU-FSG output contributing to this issue</b>	<b>Comments</b>
Trade policy	Output 5, Output 6	Current price environment makes progress in this area increasingly important but more difficult, requiring sustained outreach.
Public stock holding		Previous work has dealt specifically with this issue (WB work with Byerlee, Jayne, Myers)
Input market policies	Output 11, Output 12	
Investment	Output 7	Budget work in Zambia and Kenya directly addresses this issue
Emergency response	Output 8, Output 9	

## Summary matrix of implications of analytical review for policy dialogue

Area	Technical Consensus	Aspects lacking technical consensus	Government policy	Implications for research and policy dialogue
Investment	10% of public budget to be devoted to agriculture, with emphasis on measures to increase productivity and reduce costs (including infrastructure investment)	<ul style="list-style-type: none"> <li>- What class of farmers to target (tension between poverty reduction and income growth goals)?</li> <li>- Relative emphasis on livestock vs. crops</li> <li>- What role for irrigation ?</li> <li>- Tradeoff between environment /NRM issues and intensification for productivity growth</li> </ul>	Few governments reach 10%; much of the money spent on agriculture does not go to infrastructure and productivity enhancement.	Produce analysis that is convincing to African policy makers on the payoffs from public investments in alternative ways (e.g., physical infrastructure, crop R&D, farmer knowledge systems, input subsidies, marketing board operations, irrigation, etc).
Trade and trade policy	Need for dramatic expansion in regional trade of food staples and key steps needed to accomplish this (especially more transparent government role to reduce policy uncertainty)	How to ensure a competitive trade response, especially for imports during deficit years?	Persistent and widespread tendency to follow inconsistent policies and for statements about intended actions to not be fulfilled, leading to uncertainty and private sector paralysis	Provide analysis and outreach actions through COMESA that are convincing to policy makers on the impacts of regional trade barriers and uncertainties in trade policy. These are policy topics on which much greater interaction with policy makers (many of whom have been in their jobs for a short while and are not well exposed to the research record on this topic) is required.
Public stock holding (and risk management more generally)	Need for transparent rules governing accumulation and disposition of stocks	<ul style="list-style-type: none"> <li>- Extent to which public stock holding is functionally related to less open trade regimes, thus the extent to which it directly conflicts with accepted need for more efficient regional trade</li> <li>- Scope for expansion of contract-based approaches to risk and instability</li> </ul>	<ul style="list-style-type: none"> <li>- Stocks tend to be managed in highly discretionary and erratic manner, adding to uncertainty for private trade</li> <li>- Stock holding tends to be associated with heavy controls over private regional trade</li> </ul>	These are policy topics on which much greater interaction with policy makers (many of whom have been in their jobs for a short while and are not well exposed to the research record on this topic) is required.
Input market policies	<ul style="list-style-type: none"> <li>- Need for a much stronger private sector input distribution system</li> <li>- Need for subsidy programs, if implemented, to follow “smart subsidy” guidelines</li> </ul>	<ul style="list-style-type: none"> <li>- Feasibility (from political economy standpoint) of following “smart subsidy” guidelines</li> <li>- costs/benefits if they are followed</li> </ul>	<ul style="list-style-type: none"> <li>- Input subsidies take a large share of government ag budgets</li> <li>- Subsidies frequently crowd out rather than supporting private sector</li> </ul>	Further analysis on the pros and cons of input subsidy programs is necessary in collaboration with African researchers. However, progress in moving toward sustainable growth-promoting public investment programs

Area	Technical Consensus	Aspects lacking technical consensus	Government policy	Implications for research and policy dialogue
				is hindered by important political economy problems. Rich-country agricultural policies are perceived as giving their farmers subsidies, hence many African farmers sense hypocrisy and hidden agendas in research funded by international development agencies. Progress in moving toward a more level international playing field with regard to subsidies will help
Emergency response and social protection	Need to be carried out in ways that improve market performance and drive productivity and income growth, and key aspects of how to do this (including desirability of mixing cash- and in-kind resources)	Extent to which social protection systems can be expanded while simultaneously increasing expenditure on infrastructure and productivity programs	- Heavy reliance on in-kind food aid, much less on cash transfers	Greater research clarity on the ability of markets by themselves to overcome and address food supply shortfalls – how much of a food supply shock can be taken care of by allowing markets and trade to work, and how much/when will government/donor response be required? Greater clarity as to the current potential of markets. How should extra-market operations best be designed to maximize ability to reach those who cannot rely on markets?
Nutrition	Limited agreement between nutrition community and trade/development community	<ul style="list-style-type: none"> <li>- Costs and benefits of food fortification laws</li> <li>- Efficacy/efficiency of expanding production and consumption of bio-fortified foods compared to more direct nutritional interventions</li> </ul>		Conduct research on the costs and benefits of food fortification laws. Identify the pros and costs of expanding production and consumption of bio-fortified foods compared to more direct nutritional interventions

## 2.2.2 Update on MSU research outputs under AFR work plan

*Output 7: Analysis of relationship between public goods and smallholder assets in explaining participation in food staple markets over time.* Past research indicates that in many countries only a minority of households are net food staple sellers, and a very small proportion of those households account for most sales. A key issue is how to expand the proportion of households participating in staple food markets as net sellers over time. To what extent does market participation by smallholders respond to the availability of public goods such as market information and road infrastructure? To what extent is there a need for increased access to private assets (e.g., land, animal traction) to complement investment in public goods and reduced trade barriers, in order to help stimulate production increases? This study will attempt to answer these questions using panel data on food staple market participation. During the current reporting period an assessment of data sources and review of the most appropriate regression methods was undertaken. A draft will be available by December 2008.

*Output 8: Policy brief on cash transfer experience in Sub-Saharan Africa.* In many countries of sub-Saharan Africa, the urban poor are most directly affected by rising food prices, as they rely almost entirely on the market for their food supplies. Rising food prices will threaten both the food security of those households that are chronically poor, but also the food security of household that were just able to meet their needs prior to higher prices. An unconditional cash transfer program is one of the policy options currently in the spotlight for responding to potential crises, and Kelly and Donovan are developing a policy brief to look at the challenges of using cash transfers to respond to the needs of urban poor in SSA. A draft will be available by October 2008.

*Output 9: Analysis of patterns in net food buying status of households (Zambia, Kenya, Mozambique) and implications for choice of resource in food crises.* Tschirley and Longabaugh have completed extensive data work on the three years of panel data in Kenya and on the two years of panel data in Mozambique and Zambia. Maps have been prepared showing the spatial and temporal pattern of household net buying status for maize and at least one other staple crop in each country, with a special focus on the types of households and the geographical areas that are persistent net buyers or persistent net sellers. Comparable analysis has been done for a more detailed market participation variable (out of market, sold only, bought only, both bought and sold. Socio-economic variables have been prepared, and regression analysis will now be used to more carefully identify determinants of household market status. We plan to produce a draft report by September.

*Output 11: Cross-country study of fertilizer promotion programs.* We have produced a draft cross-country synthesis report (Malawi, Zambia, and Kenya) which has been circulated to AFR, IFDC, and other organizations for comment. The study addresses four main points: (i) what are the guiding principles of a “smart” fertilizer subsidy program? (ii) what has been the experience of Malawi and Zambia with fertilizer subsidy programs, their achievements and limitations, and what lessons can be drawn for the design of future subsidy programs that would contribute most effectively to national food security and smallholder productivity? (iii) what can be learned from Kenya’s experience of rapid smallholder adoption of fertilizer without subsidies? and

(iv) how do the sharply higher world food and fertilizer prices affect the justification for fertilizer subsidies in the region? Based on comments received, the final report is now scheduled for completion in September 2008.

*Output 13: Rising world food prices and their implications for food security policy: the emerging picture in Eastern and Southern Africa.* In light of the dramatic rise in world food prices since late 2007, FSG has attempted to respond to immediate priority issues and has added this output to its analytical agenda. Analysis is at an advanced stage and we plan to share a draft report by the end of August 2008.

## Revised timetable for MSU work plan deliverables

Outputs	Target Date		Status: Explanat ion	Lead
	Original	Revised		
<b>Output 5: Comparison of maize price volatility in closed (Malawi, Zambia) and open trade regimes (Mozambique, Mali, Kenya) (Year 1).</b>				
5.1 Draft report	4Q-07		Complete d	Jayne
5.2 final report	June 2008	3Q-08		Jayne
<b>Output 6: Multi-market model analysis of potential impact of open and closed borders in moderating shortfalls in maize availability, price, and consumption, e.g., through cassava production and trade (Year 2)</b>				
6.1 Output	1Q09			Haggblade
<b>Output 7: Study of relationship between public goods and smallholder assets in explaining participation in food staple markets over time.</b>				
	Dec. 2008			Boughton
<b>Output 8: Literature review on cash transfer experience in Sub-Saharan Africa.</b>				
	Oct 2008			Donovan
<b>Output 9: Analysis of patterns in net food buying status of households (Zambia, Kenya, Mozambique) and assessment of implications for local procurement of food aid.</b>				
9.1 draft report	2Q08	Oct. 2008		Tschirley
9.2 final report	3Q08	Dec. 2008		Tschirley
<b>Output 10: [If a suitable program and collaborating agency can be identified.] Case study (in Year 2) of the effects of conditional cash transfer schemes on behavior of receiving households.</b>				
10.1 Output	TBD			Donovan
<b>Output 11: Cross-country study (for Kenya, Zambia, Malawi) of benefits, costs, and distributional effects of fertilizer promotion programs.. (Integrated with the EGAT Work Plan Activity 1.2)</b>				
11.1 country studies for Zambia and Malawi. 11.2 draft of 3-country synthesis report	Completed Completed			Jayne
11.3 final of 3-country synthesis report		Sep. 2008		Jayne
<b>Output 12: Preparation of evidence-based policy messages and contributions to COMESA and ReSAKSS policy briefs and policy discussions. Expected completion: Outputs expected during Years 1 and 2 depending on COMESA and ReSAKSS priorities and work calendar.</b>				
12.1 Output	On-Going			Team
<b>Output 13: Rising world food prices and their implications for food security policy: the emerging picture in Eastern and Southern Africa.</b>				
13.1 draft report	Aug 2008			Jayne

## Appendix 1: Related Outreach

David Tschirley and Thom Jayne. GSO Brown Bag seminar, Department of Agriculture, Food, and Resource Economics, Michigan State University. April 1, 2008. The title was: “*Using the Market During Food Crises: What has been Learned in Southern Africa over the Past Decade?*” <http://www.aec.msu.edu/fs2/emergency/2007-fao-tschirley-jayne.pdf>

Steve Haggblade and Thom Jayne participation at the Staple Crop Markets Development Convening, Gates Foundation, Seattle. April 3-4.

Thom Jayne and Lulama Ndibongo Traub. Presentation at a GSO Brown Bag seminar, Department of Agriculture, Food, and Resource Economics, Michigan State University. April 22, 2008. The title was “*How has Food Market Reform Affected Food Prices and Marketing Margins? Findings from South Africa and the Broader Southern Africa Region.*” [http://www.aec.msu.edu/fs2/outreach/Jayne\\_AFRE\\_BrownBag\\_April\\_22\\_2008.pdf](http://www.aec.msu.edu/fs2/outreach/Jayne_AFRE_BrownBag_April_22_2008.pdf)

Lulama Ndibongo Traub and Thom Jayne made a presentation at African Studies Center seminar, Michigan State University. April 24, 2008. The title was: “*Opportunities to Improve Household Food Security Through Promoting Linkages between Formal and Informal Marketing Agents: Experience From Eastern Cape Province, South Africa*”. [http://www.aec.msu.edu/fs2/outreach/Traub\\_African\\_Studies\\_Lecture.pdf](http://www.aec.msu.edu/fs2/outreach/Traub_African_Studies_Lecture.pdf)

Thom Jayne discussant and presentation at Gates Foundation Convening on Fertilizer Subsidies in Africa, Salzburg, Austria. The goal of this meeting was to prepare a policy brief for the Gates Foundation senior management to guide their thinking and program development regarding fertilizer subsidies. April 27-29. The title was: “*Research Findings on Alternative Approaches for Raising Smallholder Agricultural Productivity*”. [http://aec.msu.edu/fs2/inputs/power\\_points/GatesFoundation7FertSlides\\_28\\_April\\_2008.pdf](http://aec.msu.edu/fs2/inputs/power_points/GatesFoundation7FertSlides_28_April_2008.pdf)

Thom Jayne participation in Institute of Development Studies/Salzburg Global Seminar/Futures Agriculture Conference on “*Toward a Green Revolution in Africa*”, Salzburg, April 30-May 2. Coverage of analysis of fertilizer issues by MSU in “*Malawi: Can it feed itself? An expensive fertilizer subsidy delivers a bumper harvest—but at what cost?*” The Economist, on-line at [http://africanagriculture.blogspot.com/2008/02/caution-urged-on-malawi-fertilizer\\_11.html](http://africanagriculture.blogspot.com/2008/02/caution-urged-on-malawi-fertilizer_11.html)

David Tschirley presented on behalf of research team at “*International Conference on cotton: Rationale and evolution of cotton policies*”. CIRAD, Montpellier. May 14, 2008. The title was: “*Institutional Diversity and Performance in African Cotton Systems: Learning from Experience in WCA and ESA*”. <http://aec.msu.edu/fs2/outreach/TschirleyEtAl.pdf>

Steve Haggblade participation and presentation at the Alliance for a Green Revolution in Africa (AGRA) Policy Workshop, Nairobi. June 23-5. The title was: “*From Roller Coasters to Rocket Ships: Lessons from Past Successes in African Agriculture.*” [http://www.aec.msu.edu/fs2/outreach/haggblade\\_agra.pdf](http://www.aec.msu.edu/fs2/outreach/haggblade_agra.pdf)

Presentation by Mike Weber at the Fertilizer Support Programme Evaluation Kick-Off Workshop, Zambia. June 25-26, 2008. The title was: “*Empirical Information on Smallholder Maize Production and Fertilizer Use In Zambia.*”

[http://www.aec.msu.edu/fs2/zambia/FSRP\\_WB\\_Fert\\_KickOff.pdf](http://www.aec.msu.edu/fs2/zambia/FSRP_WB_Fert_KickOff.pdf)

Steve Haggblade participation and was a discussant at the AGRA Markets Strategy Workshop, Nairobi. June 26-7

Dave Tschirley presented at World Food Program convocation of experts on food aid procurement and M&E. June 30, 2008. The title was: “*WFP’s Purchase for Progress (P4P): Comments for discussion on design and M&E*”.

<http://www.aec.msu.edu/fs2/emergency/P4P-Tschirley.pdf>

Thom Jayne and Steve Haggblade also serve on the AGRA Markets Strategy Working Group Committee, which has met three times since April 2008. Both Jayne and Haggblade have provided written comments and suggestions to guide the development of the AGRA agricultural markets strategy document.

David Tschirley also serves on the advisory board for the Office of Food for Peace’s new project assessing its approach to Title II food aid analysis, managed by Fintrac.

#### **Undertaken after the reporting period**

Thom Jayne. Coverage of analysis of fertilizer subsidy issues by MSU in “Fertiliser subsidies and sustainable agricultural growth in Africa: current issues and empirical evidence from Malawi, Zambia, and Kenya” Eldis Agriculture and Development Reporter. July 16, 2008.

Steve Haggblade was an interim participant (for Dave Tschirley) at the Advisory Panel on “Appropriate Levels of Food Assistance”, Washington DC. August 13.

## Appendix 2: Related Policy Syntheses and working papers

1. *“Potential Consequences of Intra-Regional Trade in Short-Term Food Security Crises in Southeastern Africa.”* Steven Haggblade, Hunter Nielson, Jones Govereh and Paul Dorosh. Report 2. A report prepared by Michigan State University for the World Bank under contract No. 7144132, Strengthening Food Security in Sub-Saharan Africa through Trade Liberalization and Regional Integration. June 28, 2008.  
[http://www.aec.msu.edu/fs2/trade/report\\_2\\_consequences\\_of\\_trade-final.pdf](http://www.aec.msu.edu/fs2/trade/report_2_consequences_of_trade-final.pdf)
2. *Comparison of maize price volatility in closed and open trade regimes.* Chapoto and Jayne have produced a draft report but it is undergoing some revisions before we circulate it. We have already presented some preliminary results from the work at the last RATES Grain Summit in Nairobi and other more recent outreach in Africa. The RATES project has posted the analysis on its website. The main conclusions from the report is that while some government operations do promote grain price stability, on the whole they exacerbate grain price instability through the use of ad hoc trade policy changes such as export bans and sudden changes in import tariffs. Zambia and Malawi have the highest degree of price instability. Since Kenya’s elimination of regional trade tariffs since its entry into the East Africa Trade Commission in early 2005, maize prices in Kenya have become significantly more stable. We are revising the paper in light of comments received and now plan to finalize the report by September 2008.
3. *“Food Crises and Food Markets: Implications for Emergency Response in Southern Africa.”* David Tschirley and T.S. Jayne. MSU Policy Synthesis. July 2008.  
<http://www.aec.msu.edu/fs2/polsyn/number82.pdf>
4. *“Potential Food Security Impacts of Rising Commodity Prices in the Sahel. A special report for the Famine Early Warning Systems Network (FEWS NET)”* by Valerie Kelly, Nango Dembélé and John Staatz. 8 May 2008.  
[http://www.aec.msu.edu/fs2/responses/FEWS\\_NET\\_WA\\_Rising\\_Prices\\_Food\\_Security.pdf](http://www.aec.msu.edu/fs2/responses/FEWS_NET_WA_Rising_Prices_Food_Security.pdf)
5. *“Patterns of Maize Farming Behavior and Performance Among Small- and Medium-Scale Smallholders in Zambia. A Review of Statistical Data From The CSO/MACO Crop Forecast Survey - 2000/2001 to 2007/2008 Production Seasons.”* By FSRP Zambia in cooperation with CSO and MACO to inform discussions on programs to deal with high food and input prices in 2008. Draft for comments, June 20, 2008.  
[http://www.aec.msu.edu/fs2/zambia/MACO\\_CS0\\_FSRP\\_CFS\\_new\\_version\\_June20.pdf](http://www.aec.msu.edu/fs2/zambia/MACO_CS0_FSRP_CFS_new_version_June20.pdf)
6. *“Smallholder Income Diversification in Zambia: The Way Out of Poverty?”* Arne Bigsten and Sven Tengstam. FSRP Policy Brief Number 30. July 2008.  
<http://www.aec.msu.edu/fs2/zambia/ps30.pdf>
7. *“Smallholder Income Diversification in Zambia: The Way Out of Poverty?”* Arne Bigsten and Sven Tengstam. FSRP Policy Brief Number 30. July 2008.  
<http://www.aec.msu.edu/fs2/zambia/ps30.pdf>