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THE FOOD PROBLEM IN AFRICA

It is a pleasure for me to appear before this subcommittee today to discuss the agricultural sector in Africa. The majority of the Agency for International Development's efforts in Africa are focused on the improvement of African agriculture, particularly food production.

Agriculture and food production in Sub-Saharan Africa faces enormous problems. While it is important to deal with these short-term crises, it is equally important to be aware that the crises we are now dealing with are manifestations of a larger chronic food problem. In most Sub-Saharan countries, per capita calorie intake falls below minimal nutritional standards even in "normal" years. Per capita food crop production in 1980 in Sub-Saharan Africa was 210 kilograms compared to 290 kilograms in Latin America and 260 kilograms in the Middle East. When adverse weather or political disruption is added to this precarious "normality", major food crises result.

A.I.D.'s program seeks to address the basic structural causes of the problem. A.I.D.'s first goal is to convince African Governments to establish a policy environment conducive to development. Coupled with this effort is a series of related

programs and projects in institution building, research, and training to address other structural problems in African agriculture. We expect this long term effort to correct the basic constraints which are holding African agriculture back from reaching its high potential. Second, A.I.D. is responding to the continually reoccurring short-term crises caused by weather or political upheaval through a coordinated program of food aid and relief assistance.

AN OVERVIEW OF THE ECONOMIC AND FOOD SITUATION IN AFRICA

Not only is there a crisis in the agricultural sector of many African countries, the entire economies of many of these same states are in disarray. As of April 30, 1983, for example, 18 of the 42 countries under stand-by arrangements with the IMF are in Africa. In 1982 balance of payments deficits on current accounts as a percentage of exports of goods and services averaged more than 62 percent for African countries compared to 40 percent for the rest of the world. The growth of real GDP in Africa between 1972-1982 was the lowest of any region of the world, almost half the rate for Asia and the Middle East. This general failure of African economies to perform results in extremely limited internal resources available to deal with the growing food problem at a time of increasing population growth.

Declining per capita food production, in the absence of a growing import capability, exacts a high price in both human and economic terms. The human cost is inadequate nutrition, hunger and even starvation. The economic price of inadequate domestic food production is a rising import bill. Governments in Sub-Saharan Africa have generally responded to lagging food production by increasing imports. During the 1960's grain imports posed little financial hardship. While the volume of imports doubled, the cost rose by only 50 percent. Stable low prices made imports a cheap and relatively secure way of meeting growing urban demand. In the 1970's, however, the situation changed dramatically. The cost of Sub-Saharan Africa's cereal imports doubled between 1970 and 1978, aggravating the balance of payment pressures many countries were experiencing as a result of higher prices for essential petroleum and manufactured imports.

Sub-Saharan Africa is the only region of the world where per capita food production declined over the past two decades. The estimated annual growth rate for population in Africa between 1961/65 and 1976/80 was 2.8 percent while the growth of food production in the same period was 1.7 percent. Only a few Sub-Saharan countries improved on the record of the early 1960's.

Most showed moderate to severe declines. In 1978 per capita food production was less than 90 percent of the 1961-64 average in Angola, Benin, Ethiopia, Ghana, Nigeria, Senegal, Sierra Leone and Upper Volta.

THE CAUSES OF THE PRESENT FOOD AND AGRICULTURAL CRISIS

A closer examination of the African agricultural situation indicates some of the causes of agriculture's poor performance and the present food crisis. These include: domestic policy inadequacies; lack of basic institutions; the absence of farmer-acceptable technologies; lack of trained personnel; inadequate infrastructure; shift in food demand; and difficult physical and climatic conditions. These factors are briefly discussed below.

1. Government Policies

Long-term development depends heavily on the nature of policies followed by developing countries. This point was graphically supported in the 1983 World Development Report published by the World Bank.

There are three areas in which domestic policy inadequacies have played a critical role in the development of the present

agricultural crisis. First, trade and exchange rate policies have overprotected industry, restrained agriculture, and absorbed too many administrative resources. Second, African governments have favored continuation of overly large production and marketing organizations that have been incapable of performing their assigned tasks. Finally, policies which provide a range of incentives for increasing agricultural production have not been established.

2. Institutions

Sub-Saharan Africa does not have the basic institutions required to sustain agricultural development. Investment in basic institutions to create human capital, to develop and disseminate new technologies in agriculture, and to strengthen internal market linkages has been grossly inadequate.

3. Technology

Lack of viable research institutions in most Sub-Saharan countries has resulted in a dearth of farmer-acceptable technology needed to increase agricultural production and productivity. With the single possible exception of maize, African food production has probably been less affected by technological change in the past twenty years than agriculture on any other continent in the world.

4. Trained Personnel

Inadequate numbers and quality of agricultural training institutions for Africans has meant deficiencies in trained personnel to carry out a sustainable agricultural development effort in most African countries. The colonial experience is partly responsible for this. Unfortunately since independence, African governments have done little to correct the situation. The lack of trained personnel, ranging from farmers to senior administrators and scientists, is a major factor in the present agricultural crisis.

5. Infrastructure

Not only do most African countries lack the necessary basic institutions for research, training, extension, and marketing, but they also lack adequate physical infrastructure to support a major expansion in agricultural development. Abundant harvests spoil because storage facilities are lacking or transportation to market is unavailable. Locally produced food crops cannot be sold competitively in many major African urban centers because inadequate roads result in very high transportation costs.

6. Shift in Food Demand

Urbanization patterns also contribute to current food problems, since the interaction between urbanization and income growth creates a structure of demand which is difficult to supply from local production. Although Sub-Saharan Africa is presently the least urbanized region in the world, with less than a quarter of its people living in cities, the rate of urbanization is high. Urbanization rates exceeding 5 percent per year are common, implying that the urban population will double in fourteen years. Urbanization puts a premium on convenience foods, such as baked bread, rice, and processed foods, which are often difficult if not impossible to supply from local production.

7. Physical Environment and Climate

While Africa has some highly fertile and productive areas, such as the high plateaus of East and Southern Africa, most farming takes place in regions of difficult physical and climatic conditions. The arid lands of the Sahel and the lateritic soils of the coastal and central tropics of Africa present unusually difficult physical environments for agricultural production. Irrigation is important only along the Nile River and to a more limited extent in the Sahel. Given the limitations of

infrastructure and institutional resources, widespread irrigation is not likely to solve Africa's production in the near future. The tropical soils of Africa also present a number of unique problems.

INCREASING AGRICULTURAL AND FOOD PRODUCTION

Increasing agricultural production and productivity will continue to be the central focus of our long-term development strategy to increase food security in Africa. Our response to the problems in agriculture is designed to focus program priorities on:

- creation of national policies and programs that give African farmers adequate incentives to expand agricultural output, especially of food;

- building of self-sustaining African institutions that provide appropriate technology, inputs and services at the time and in the quantity necessary for effective production and distribution of food products; and,

- support for institutional and human resource development programs that provide the means for greater participation by farmers in the development process, including policy planning, to build popular support and acceptance of programs necessary for self-sustaining growth.

Within agriculture, the A.I.D.'s development program in Africa will concentrate on development of smallholder agriculture as the most productive element in the sector. This concentration will emphasize policy reforms, research and related agricultural support activities such as measures to improve the marketing systems, to improve input distribution and to upgrade living conditions in rural areas. In most cases, the effectiveness of this program will depend on appropriate policy changes which we are encouraging through a policy dialogue effort in conjunction with bilateral and multilateral economic and financial stabilization efforts.

There are several important principles which form the basis of A.I.D.'s policy dialogue efforts. First, we must work in concert with other multilateral and bilateral donors. In particular, we want to see the IBRD and IMF in a leadership role in the policy dialogue area, where appropriate. Second, policy dialogue efforts can be pursued at macroeconomic, sectoral, and project levels, depending on particular country circumstances. Third, all policy reforms require a careful analysis of the economic impact of specific changes proposed. Fourth, all policy dialogue must be conducted with sensitivity, recognizing that existing policies are generally in place because they benefit some segment of the economy.

This policy dialogue emphasizes the active pursuit of policy reforms in order to remove economic biases against agriculture and to promote competitive markets for African farmers' products. A second but equally important activity in the policy area is assistance designed to increase the capacity of African governments to analyze the impact of macroeconomic policies on agriculture and to plan agricultural activities on the basis of these analyses. Particularly important in the agricultural area are changes in governmental policies regarding use of monopolies in agricultural marketing and input delivery.

Programs in these areas will include efforts to establish or substantially improve the role of national level planning and policy analysis, and to improve host countries' development administration capabilities. The effort to upgrade African capacity for economic analysis and planning will be a long-term, relatively low cost effort designed to establish a cadre of well-trained planners and to create an institutional capability to plan development in coordination with national budgetary capacities. To improve host countries' abilities to administer their domestic and foreign assistance-based development programs, concerted efforts will be made to increase the financial and program management capabilities of African countries.

Examples of A.I.D.'s efforts in the policy area can be seen in Somalia where the government has increased prices and has opened the market to permit private traders to compete for the harvest. In Sudan the government has dropped the consumer subsidy of wheat/wheat flour. In addition, we have begun to use program resources to finance policy studies and key short-term technical consultants to help implement these policy changes.

In the second program priority area, emphasis will be on building basic institutions to support agriculture. We are emphasizing those national and local institutions that are related to production. Technology generating institutions must be given priority because farmer-acceptable technology is the base for long term change. Although priority is given to agricultural research, we recognize that other institutional or physical constraints may warrant our attention in specific country situations. Institutions must build on a pool of qualified personnel. In recognition of this fact, AID is providing funding for participant training in most of our projects. Besides this, AID has begun an important new project to create a land grant type of agricultural university in the Cameroon. This is the first important center of higher learning in agriculture which AID has supported in Sub-Saharan Africa in many years. Graduates of this university will provide the core technical

and administrative personnel for the agricultural research and extension for both the private and public sector management requirements in the Cameroon and to a lesser extent other African countries.

It is recognized that it takes 10 to 15 years of training and experience beyond high school to develop a research scientist. Major technological breakthroughs such as hybrid corn have occurred only after some 30 years of effort. It can take an equally long time for rural cooperatives to become viable. Given these long time periods between the initiation of an effort and significant achievement, we are working on several fronts at the same time. Some of these efforts are aimed at maximizing short-term opportunities. But others, such as research and irrigation, will probably not have major payoffs until well into the next century.

Much has been written about the failure of the Green Revolution to impact upon Africa. However, there are significant differences between Asian and African agriculture. The many micro-ecological zones, diverse crops and cropping patterns, as well as the relative lack of irrigated land, infrastructure, basic agricultural institutions and physical resource endowments are among the major reasons technological transfer in Africa has been held back. African farming systems are extremely complex and the development of suitable technical packages requires location-specific research by multidisciplinary research teams.

We also recognize that the consumption side of the food problem must receive our attention if markets for the expanded production are to be available and if expanded production is to lead to improved nutrition and higher income. Secondary institutions for marketing, credit, transportation, storage, and processing, are required in order to reap the rewards of increased production and income from technology. Poorly developed transportation and marketing networks have relegated the majority of farmers to operate well inside their technical production frontier. Improvements in farm-to-market roads, marketing credit and storage will, in these countries, increase the probability that a farmer can sell his surplus production, obtain modern inputs and incentive goods and do so at reasonable prices. As a result these farmers will have an increased incentive to produce to their current technical capability and to be more receptive to adopting the improved technologies emanating from research.

We believe that the current priorities and policy emphasis of A.I.D. are sound and relevant to the pressing problems of the African continent. In cooperation with other donors and African governments, they offer hope of turning Africa's agricultural sector around and placing it on the road to modernization and prosperity. Only when this occurs will the prospect of ending Africa's recurrent food crises be achievable.