Impacts of Food Aid:
Niger’s Impending Crisis

April 2, 2010
Impacts of Food Aid
Niger’s Impending Crisis

Anne Marie Spevacek, Senior Research Analyst

KSC Research Series

ABSTRACT:

Last month, the Government of Niger issued a plea for help to prevent and treat malnutrition. This year a severe food shortage is anticipated in this landlocked Sahelian country, following a bad harvest in 2009. Niger’s Prime Minister has called upon the international community for $123 million in food aid to combat the crisis. Upwards of 2 million people are at risk of malnutrition as a result of the crisis. More than half the population (7.8 million) has already exhausted most of their food reserves, with the next harvest still six months away. The peak is expected in June.

This report outlines the micro- and macro-economic impacts of food aid, with an emphasis on emergency transfers. In the short term, the general impacts of food aid on recipient welfare are positive, but the Food and Agriculture Organization of the United Nations (FAO) warns that the effects are complex and multilayered. Impacts on nutritional status can differ by age and gender. It can also have an unintentional crowding out effect on both informal and formal social safety measures such as remittances, household labor exchange, and government relief efforts. Primarily, the majority of studies reviewed indicate that food aid leads to a depression in local food prices, which in turn may undercut the income of rural farmers and discourage local production. It has been reported that households in Niger attempt to mitigate impacts of natural shocks – including droughts, economic and health shocks - in a variety of ways, including migration, asset/livestock sales, and borrowing money. Food aid affects the country differently by region.

Despite a long-standing debate on the disincentives of food aid on food production, more recent empirical evidence indicates that the case for food aid disincentives is not supported by the data – in some cases, it can actually stimulate production. A number of studies are beginning to make the case for using a more nuanced and robust analytical tool – market analysis – to look at the distribution and pricing of food, as opposed to just food production levels, when planning, implementing, and evaluating food security interventions and their impact. Studies also find that food aid partially displaces commercial imports by recipient countries, which has been one of the most contentious issues discussed in the Doha Round of World Trade Organization (WTO) negotiations. Targeting distribution, however, can help alleviate this.

PN-ADM-069
# Table of Contents

## Statistical Overview
- Food Aid to Niger, 2008 (Actual Tons) .................................................. 2
- Food Aid to Niger by Donor, 2008 ............................................................... 2
- Individual Requirements Met on Average (IRMA), 2008 ............................. 2

## Current Food Crisis in Niger
- Learning from the Past ............................................................................... 3

## Overview: Types of Food Aid
- USAID Assistance ....................................................................................... 4

## Consequences of Food Aid
- 1. Microeconomic Impacts
   - Nutritional Status .................................................................................... 5
   - Behavioral Responses ............................................................................... 5
   - Income Effects .......................................................................................... 5
   - Price Effects .............................................................................................. 6
   - Impacts at the Household Level ................................................................ 6
- 2. Macroeconomic Impacts
   - Disincentive Effects on Productivity ....................................................... 7
     - Current Perspectives ............................................................................... 7
   - Factors for Productivity Gains ............................................................... 8
   - Market Mechanisms .................................................................................. 8
   - Food Imports ............................................................................................ 9

## Resources:
- Papers ......................................................................................................... 10
- Journal Articles: ......................................................................................... 12
- News Articles: .............................................................................................. 12
### Food Aid to Niger, 2008 (Actual Tons)

<table>
<thead>
<tr>
<th>Food Aid Type</th>
<th>Beans</th>
<th>Canned Meat</th>
<th>Corn-Soya Blend</th>
<th>Ground Nuts</th>
<th>Iodized Salt</th>
<th>Maize Meal</th>
<th>Millet</th>
<th>Nuts</th>
<th>Peas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency</td>
<td>0</td>
<td>260.24</td>
<td>10016.8</td>
<td>0</td>
<td>39</td>
<td>4182.45</td>
<td>4435</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Program</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Project</td>
<td>1447</td>
<td>0</td>
<td>480</td>
<td>6</td>
<td>49</td>
<td>1196</td>
<td>47</td>
<td>155.94</td>
<td>400</td>
</tr>
<tr>
<td>Totals:</td>
<td>1,447</td>
<td>260</td>
<td>10,497</td>
<td>6</td>
<td>88</td>
<td>5,378</td>
<td>4,482</td>
<td>156</td>
<td>400</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Food Aid Type</th>
<th>Rice</th>
<th>Pulses</th>
<th>Salt</th>
<th>Sorghum</th>
<th>Soya</th>
<th>Soya-Fortified Bulgar Wheat</th>
<th>Sugar</th>
<th>Vegetable Oil</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency</td>
<td>12223.55</td>
<td>0</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>690</td>
<td>1075.514</td>
<td>32,929.6</td>
</tr>
<tr>
<td>Program</td>
<td>10000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>10,000</td>
</tr>
<tr>
<td>Project</td>
<td>9189</td>
<td>10.5</td>
<td>0.45</td>
<td>84</td>
<td>6</td>
<td>1600</td>
<td>277.4</td>
<td>385.546</td>
<td>15,333.8</td>
</tr>
<tr>
<td>Totals:</td>
<td>31,413</td>
<td>11</td>
<td>0</td>
<td>91</td>
<td>6</td>
<td>1,600</td>
<td>967</td>
<td>1,461</td>
<td>58,263</td>
</tr>
</tbody>
</table>

### Food Aid to Niger by Donor, 2008

<table>
<thead>
<tr>
<th>Donor</th>
<th>Amount in Actual Tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>107.5</td>
</tr>
<tr>
<td>Belgium</td>
<td>550</td>
</tr>
<tr>
<td>Canada</td>
<td>1454.341</td>
</tr>
<tr>
<td>China</td>
<td>218</td>
</tr>
<tr>
<td>Denmark</td>
<td>1762.147</td>
</tr>
<tr>
<td>European Community</td>
<td>11028.39</td>
</tr>
<tr>
<td>Finland</td>
<td>178.59</td>
</tr>
<tr>
<td>France</td>
<td>180.39</td>
</tr>
<tr>
<td>Germany</td>
<td>5042</td>
</tr>
<tr>
<td>Greece</td>
<td>300</td>
</tr>
<tr>
<td>Ireland</td>
<td>600</td>
</tr>
<tr>
<td>Italy</td>
<td>1493.24</td>
</tr>
<tr>
<td>Japan</td>
<td>7415.5</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>638.5</td>
</tr>
<tr>
<td>NGOs</td>
<td>161.4</td>
</tr>
<tr>
<td>New Zealand</td>
<td>87</td>
</tr>
<tr>
<td>Norway</td>
<td>379</td>
</tr>
<tr>
<td>PRIVATE</td>
<td>3668</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>3359.491</td>
</tr>
<tr>
<td>Spain</td>
<td>1569.968</td>
</tr>
<tr>
<td>Sweden</td>
<td>840</td>
</tr>
<tr>
<td>Switzerland</td>
<td>286.998</td>
</tr>
<tr>
<td>UNITED NATIONS</td>
<td>3823.855</td>
</tr>
<tr>
<td>United States of America</td>
<td>13119.08</td>
</tr>
</tbody>
</table>

### Individual Requirements Met on Average (IRMA), 2008

(from 58,263.30 actual tons)

<table>
<thead>
<tr>
<th>Energy</th>
<th>Protein</th>
<th>Fat</th>
<th>Iodine</th>
<th>Iron</th>
<th>Niacin</th>
<th>Riboflavin</th>
<th>Thiamine</th>
<th>Vit A</th>
<th>Vit B-6</th>
<th>Vit B-9</th>
<th>Vit B-12</th>
<th>Vit C</th>
<th>Zinc</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.76</td>
<td>5.19</td>
<td>3.17</td>
<td>0.12</td>
<td>4.34</td>
<td>7.42</td>
<td>3.52</td>
<td>7.03</td>
<td>6.29</td>
<td>4.88</td>
<td>1.26</td>
<td>0.28</td>
<td>8.91</td>
<td>2.12</td>
</tr>
</tbody>
</table>

Source: World Food Program, Quantity Reporting
Current Food Crisis in Niger

Last month, the Government of Niger issued a plea for help to prevent and treat malnutrition. A severe food shortage is anticipated this year in this landlocked Sahelian country, following a bad harvest. Niger’s Prime Minister Mahamodou Danda has called upon the international community for $123 million in food aid to combat the crisis. GoN reports that approximately 2 million citizens are at risk of malnutrition. More than half the population (7.8 million) has already exhausted most of their food reserves, with the next harvest still six months away. The peak is expected in June. FAO has reported that food and fodder prices in parts of southern Niger are up by 30% from 2009, and household incomes have dropped since last September due to dwindling jobs in the agriculture sector.

As Table 1 shows, chronic malnutrition in Niger remains high, as compared to other Sahelian nations. Authors of a USAID report (2006) reason that the persistently high rates are multi-faceted and multi-causal. Niger’s women (especially lactating and pregnant) and children will be impacted especially hard by this current crisis. A 2009 WHO study ranks the nation’s children second highest in the world as underweight for their height.

<table>
<thead>
<tr>
<th>Country</th>
<th>Prevalence (%) of global acute malnutrition (GAM)</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Niger</td>
<td>15.3 %</td>
<td>CDC/UNICEF/GON October 2005</td>
</tr>
<tr>
<td>Mali</td>
<td>10.6 %</td>
<td>Demographic and Health Survey 2001</td>
</tr>
<tr>
<td>Mauritania</td>
<td>12.8 %</td>
<td>Demographic and Health Survey 2001</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>18.6 %</td>
<td>Demographic and Health Survey 2003</td>
</tr>
</tbody>
</table>

Source: USAID, 2006

Since January 2008, riots and demonstrations protesting higher food prices have taken place in numerous countries in West Africa, including Niger. Further, following a military takeover of the government in February, a largely civilian transitional government was appointed in early March; however, anticipated food shortages could create additional instability to derail that process.

Grains (primarily millet) represent approximately 75% of Niger’s per capita caloric consumption, which means that fluctuations in price and production levels are significant. Aker (2008) states that the “key reasons for high [grain] price instability in Niger is the fairly inelastic regional supply of food, as climatic shocks in the sub-region are not easily offset by extra-regional imports.” There is much inter- and intra-annual variation in grain prices, as has been reported by Aker (2008). As well, Niger’s food prices closely mimic those in Nigeria and Benin, and are highly susceptible to supply shocks given the close integration between these markets (Aker, 2008).

Learning from the Past

Northern regions of Niger suffered a severe food crisis in 2005-06, caused by an early end to the 2004 rains. The international emergency response to the most vulnerable areas in southern Niger - including $100 million in food aid - failed to bring malnutrition rates below emergency levels (USAID, 2006). Many people died, it is believed, because the depth of the crisis was

---

1 Fodder is used to feed cattle, goats, sheep, camels, and other livestock, which are one of the only sources of food and income for Niger’s nomadic communities.
underestimated by the United Nations and food aid did not reach them in time. According to a recent news report, one international organization, *Medecins san Frontieres*, indicated that food aid did not reach those in the most extreme stages of starvation, but instead was being directed at the moderately malnourished.

Jeffrey Sachs (2005) states that “expensive emergency food aid” is not enough. He makes the case for strengthening longer-term solutions, including key inputs for farming like improved soil and water management techniques, better seed varieties, as well as investments in infrastructure such as roads, ports, electrification, and diversified production (both agriculture and non-agriculture).

Niger’s food crisis, Sachs maintains, “reflects a lethal combination of growing rural populations and inadequate food yields. Rural populations… [and] this intensifies poverty in the next generation, as average farm sizes shrink. …The problem is especially severe in landlocked countries … where high transport costs leave villages isolated from markets, and in regions that depend on rainfall rather than river-based irrigation.”

**Overview: Types of Food Aid**

A recent report by Awokuse (2006) indicates that the type of food aid implemented in a recipient country – emergency, program, or project – can determine the resulting socio-economic impacts. Program food aid, for instance, is targeted more at macroeconomic development and poverty reduction. It typically targets a country’s urban middle class and is largely inaccessible to poor rural households. Project food aid, on the other hand, targets the most food-deficient and poorest beneficiaries. Emergency aid seeks to meet immediate food security needs.

Over the past decade, there has been a shift from development-focused food aid to more humanitarian food aid. According to Barrett (2006) humanitarian food aid “intend[s] to protect human nutritional status and human life, although in many kinds of emergencies, protecting livelihood assets is critical as well. The most common applications of food aid for protecting human life and nutritional status in acute humanitarian emergencies are: (i) general nutrition support, primarily through direct distribution of a basic food ration to vulnerable groups (based on some assessment of need); (ii) correcting malnutrition via supplementary or therapeutic feeding for especially acutely affected sub-groups; and (iii) food for work (FFW).”

Food aid interventions in Niger include free food distribution, subsidized sale of grains, cereal banks, and Cash for Work (CFW) – these involve purchasing food aid locally or with imports (Aker, 2008). Local purchases of food, while highly supported in the international community, may not be the best option, according to Aker. As a result of higher food prices in the region surrounding Niger, she suggests prioritizing the use of food aid from imports, particularly in the short-term. Local purchases, if warranted, should be purchased from Benin, Mali, or Burkina Faso, as their markets are not so highly integrated with Niger’s.

**USAID Assistance**

The United States is the world’s largest food aid donor and provides approximately half of all food aid to vulnerable populations throughout the world. In Niger, USAID/OFDA has provided more than $9.1 million to implementing partners for agriculture and food security, nutrition, and economy and market systems programs that target more than 1.1 million beneficiaries (USAID, 2009).
Consequences of Food Aid

FAO (2006a) indicates that “the effects of food aid are complex and multilayered.” Issues surrounding the consequences of food aid tend to revolve around three main questions:

1) Does food aid create dependency?
2) Does it distort market prices, which creates disincentives for agricultural production and market development?
3) Does food aid displace commercial trade?

1. Microeconomic Impacts
While the literature widely suggests that food aid transfers increase recipients’ welfare, an FAO study indicates that the welfare effects of food aid are mixed (FAO, 2006b).

Nutritional Status

Awokuse (2006) concludes that evidence is mixed regarding food aid’s long-term effect on the nutritional status of recipients in low-income countries. He reports: “Quisumbing (2003) investigated the “effects of food aid on individual nutritional status, as measured by indicators of child nutrition” in rural Ethiopia and found that although food aid has a positive effect on nutrition, the impact differs by gender of the child and the form of food aid distribution.” Awokuse recommends that additional research be done to examine other factors that impact food aid’s interaction with nutritional status, including poor local diets, social and cultural mores that give adult males priority over adult women and children, inadequate treatment of communicable diseases, etc.

Behavioral Responses

Barrett (2006) reports that “the expectation of assistance may induce behavioral responses [from] prospective recipients … Food aid may fill in holes in social safety nets, providing insurance to those who are otherwise uninsured (i.e., those lacking private support during a crisis).” He emphasizes that one unintended effect is the crowding out of both informal and formal social safety measures, such as “remittances, household labor exchange, and government relief efforts.” This crowding out can weaken social safety nets already in place and make it more difficult for people to manage without assistance during a crisis, which further embeds their dependency on food aid over time.

Another household level behavior change as a result of food aid is a distortion of consumption and dietary patterns, which occurs when food aid is unsuitable to local uses. For instance, anecdotal evidence highlights food aid containing shipments of wheat and rice into the West African Sahel during the mid-1970s and mid-1980s. It is believed this promoted a shift in consumer demand from indigenous coarse grains (millet and sorghum) to more western crops (primarily wheat) (Barrett, 2006).

Income Effects

Efforts to increase household income have encompassed food for work (FFW) programs, which create employment for low-income, food insecure workers. FFW programs sometimes offer higher wages than the local labor market. These wages can have a negative impact on local private production, as recipients would rather work for higher wages. Barrett and Clay (2003) argue that in structurally weak economies, higher income households may have a greater ability to participate in FFW programs, given excess labor, whereas poorer households could not afford to participate as a result of labor scarcity. Thus, targeting of FFW is needed to reach vulnerable households.
Barrett (2006) also highlights the theory that food aid could make people lazy. The concept he presents is that food aid creates income effects that have a propensity to reduce labor supply, primarily because “even hard-working people prefer more leisure to less.” In actuality, empirical evidence shows that labor supply becomes more responsive to changes in income as people grow wealthier. Overall, the impact of food aid on labor supply is minimal when aid is sufficiently targeted (Barrett, 2006).

Price Effects

There is long-standing concern in the literature about the potential impacts of food aid on recipient country agricultural prices. Primarily, the majority of studies indicate that food aid leads to a depression in local food prices, which in turn may undercut the income of rural farmers and discourage local production.

Food aid can impact recipients’ domestic food markets even if commodities are not brought in from abroad. For instance, assistance in the form of cash or cash transfers can expand local food demand. This stimulates food sales, but at the same time could increase local prices, as well. Sometimes this is an intended impact, such as when helping to establish commercial marketing channels. But an increase in local food prices has a negative impact on poor citizens who do not have access to the food aid distribution. These individuals are then forced to liquidate their productive assets, such as livestock and land, to meet their immediate consumption needs. This can greatly impact their future livelihood (Barrett, 2006).

Alternatively, FAO (2006a) points out that food aid ‘in kind’ can drive down local prices for commodities, which benefits net food buyers but not necessarily food sellers. When food aid is purchased locally or regionally, however, sellers reap substantial benefits (FAO, 2006b).

Impacts at the Household Level

According to a recent World Bank report (2008), more than 50% of Niger’s population is chronically food insecure, with 22 percent of the total afflicted with extreme chronic food insecurity (categorized as per capita caloric consumption of less than 1800 kcal/person/day). Even in a good year, poor households have difficulty meeting their basic food needs. There are regional and seasonal variations in the country’s food insecurity. For instance, in 2005, Maradi, Dosso and Niamey regions experienced the highest levels of extreme chronic and total food insecurity (World Bank, 2008).

Households in Niger attempt to mitigate impacts of natural shocks – including droughts, economic and health shocks - in a variety of ways, including migration, asset/livestock sales, and borrowing money. The World Bank (2008) reports on a recent household survey (QUIBB 2005) that lists food aid as the most common strategy used (1 in 4 as a result of drought).

In 2009, Save the Children UK conducted a Household Economy Analysis (HEA) survey in five districts of Niger, which reveals the country’s wide variance in livelihood zones – this includes cash-crop farmers, livestock herders, and (agro) pastoralists, etc. (Save the Children UK, 2009 - via FEWS NET). The authors warn that purchasing power of poorer people is a major concern during a food crisis, since they have the least cash on hand and are the most reliant on the market for food. “This makes them vulnerable to crop failure (increasing their dependence on the market) or, among pastoralists, to grazing failure or other threats to livestock production (which reduce their capacity to sell enough animals for food without also selling the females, and thus losing their capacity to regenerate their herd through natural means).”
Another key conclusion from the HEA survey was that, although adverse events impact various zones (regions) differently, “an event (such as lack of pasture, abnormal demand for cereals from Nigeria, etc.) that affects livestock or cereal markets can be more damaging for rural households’ food security than an event that affects agricultural production alone.”

2. Macroeconomic Impacts
The issue of food aid and its impact on agricultural production is at the center of a larger discussion of macroeconomic impacts. As discussed above, the empirical evidence from a growing number of studies indicates that increasing food aid and declining food production are not entirely related. In fact, food insecurity is the result of a variety of factors, including national and regional agricultural production, relative demand for imported and local goods, elasticities of demand, and integration with global markets. There are a number of consequences that may need to be addressed.

Disincentive Effects on Productivity

Since the inception of food aid in the 1950s, the literature has focused on the potential impacts of food aid on recipient countries. This discussion envelops disincentive effects on domestic food production, which is based on a downward trend in per capita food production (i.e., in sub-Saharan Africa and Southern Africa).

A number of earlier studies found a negative correlation between food and food production. The argument held that, while supplying food aid can improve food availability at household and national levels, it can lead to negative long-term impacts. Specifically, food aid deliveries boost domestic supply faster than a recipient country’s demand, which lowers food prices. This, in turn, discourages food producers and traders from investing in agricultural production and can lead to greater dependency on food aid (the former has a direct impact on the sustainability of livelihoods, while the latter can decrease food security in the long-run). There was also a concern that food aid would reduce government incentives for production-enhancing investments and policy reforms.

Current Perspectives

More recent empirical evidence, however, shows that the case for food aid disincentives is not supported by the data (UNECA, 2007; FAO, 2006b; Abdulai, Barrett, and Hoddinott, 2004; Lowder, 2004; Barrett et al., 1999; Lavy, 1990; etc.). Some experts indicate that there may be some disincentive, but add the disclaimer that disincentive effects may be short-term (Barrett, 2006, FAO, 2006a, and Lowder, 2004). Barrett, for instance, concludes, that if “producers expect … a relatively permanent negative effect on product prices, or [food aid] interrupts regular investment or maintenance cycles that maintain or enhance local agricultural productivity,” then the disincentive impacts will be longer-term.

An empirical study conducted by Abdulai, et al. (2004), using repeated longitudinal observations of households, concludes that food aid does not have a disincentive effect on food production. Rather, it has actually stimulated production in sub-Saharan Africa. Similarly, del Ninno, Dorosh, and Subbarao (2005) conclude that “adverse effects may occur, but are not inevitable” as a result of food aid. In particular, del Ninno et al. draw upon case studies of Bangladesh as a food aid program that did not encounter production disincentives, and Zambia, where food aid did not cause agricultural stagnation or mitigate the government’s insufficient investment in agriculture. The FAO (2006) views the results of empirical investigations as mixed.

Likewise, results of UNECA’s empirical study in Southern Africa (2007) “confirm the existence of an inverse relationship between food aid and production, [but] failed to affirm the assertion that food
aid discourages production.” Realistically, the relationship between food aid, agricultural production, and food security is not as simple as it is sometimes portrayed. UNECA cautions that a number of other existing factors can impact a recipient country’s food production, not just food aid. These include 1) an increase in domestic food consumption, meaning food aid might not necessarily add to excess supply; 2) “seasonality of price effects” and price levels that also contribute to producer disincentives; and 3) the economic nature of and market for the food aid delivered (i.e., income elasticities of demand). In addition, lags in food production are caused by weather (draught), human illness (HIV/AIDS, typhoid, etc.), as well as institutional and structural inadequacies (trade controls that ban exports during bumper harvests or impose import taxes in response to shortages). At the same time, however, UNECA also states “[i]n countries that are rural with heavy dependency on subsistence agriculture, … the market effects of food aid may not mean much in the short-term. However, in the long-run these effects may have significant negative impacts on developing the local markets and on transformation.”

Factors for Productivity Gains

Del Ninno et al. (2005) describe three key factors necessary to achieve production gains as a result of food aid: 1) political will and donor support for long-term investments in production – i.e., agricultural research, extension, irrigation, and rural roads; 2) keeping food aid deliveries small in relation to the size of domestic markets (in countries where food aid is large relative to the size of domestic markets, and where the commodity sent is a close substitute for major domestically produced staples, the risk of adverse price effects on production incentives are especially great); and 3) food aid inflows should be channeled through a public distribution system, with adequate public storage and careful management of the timing of arrivals of food aid and the distribution of food.

Market Mechanisms

Del Ninno, et al. (World Food Program and FEWS NET, 2005) maintain that the benefits of food aid inflows in short-term emergency situations are clear. However, in the medium to long run, they conclude that the local market is generally more efficient in addressing food availability constraints. These include an adequate level of household incomes and sustained pro-poor growth.

Beekhuis and Laouali (2007) have explored the Sahel’s growing reliance on markets in food security analysis using lessons learned from Niger’s 2005-06 food crisis. They make the case for using a more nuanced and robust analytical tool – market analysis – to look at the distribution and pricing of food, as opposed to just food production levels, when planning, implementing, and evaluating food security interventions and their impact. The authors state that “understanding how markets function, and the interventions that can facilitate trade, can help in identifying measures to alleviate the negative impacts of shocks.” Aker (2008) concurs, stating that “focus on production – to the exclusion of marketing – will not resolve the Sahel’s food security problem.” Instead, it is necessary to ensure that “the local, regional and international commodity value chains for these crops are competitive and efficient.”

In Niger, lower domestic crop production due to locust attacks and dry spells, a drop in exports from Nigeria as a result of higher food prices, and a rise in household dependency on food market purchases have led to significant levels of food insecurity during 2005-06. Studying this case has alerted experts to the importance of market analysis at the sub-national and sub-regional levels. Beekhuis and Laouali (2007) call for the creation of a regional market monitoring system that would review cross-border prices and flows for both agricultural and livestock products.
Save the Children UK’s HEA survey (2009) finds that Niger’s “pastoralists are increasingly engaging with markets and have successfully made the transition to a highly monetized economy.”

Food Imports

Studies find that food aid partially displaces commercial imports by recipient countries, which has been one of the most contentious issues discussed in the Doha Round of World Trade Organization (WTO) negotiations. Displacement of commercial food imports by food aid is reviewed by Awokuse (2006), who concludes that non-emergency food aid has the potential to displace commercial imports of food in the short run, but that targeting distribution can help alleviate this. FAO (2006a) reports that “commercial imports recover quickly and may actually grow in the years following food aid flows.” For all types, Awokuse reports that food aid yields additional foreign exchange because it is a replacement for a recipient country’s spending on food imports. This financial surplus, he exerts, can be used to improve macroeconomic development, i.e., vis-à-vis “funding for non-food imports, addressing balance of payment deficits, and the repayment of foreign debt.”

FAO (2006a) maintains that “the trade displacement effect of food aid when it is a short-term phenomenon may actually promote commercial trade in the longer term, perhaps by stimulating consumer demand for a wider variety of foods. Food aid that is well targeted to insecure households and needy people can minimize the trade displacement effect.”
Resources:

Papers

World Food Program, Food Aid Information System (Quantity Reporting)  
http://www.wfp.org/faais/quantity-reporting

Understanding Household Economy in Niger (Save the Children UK, October 2009)  

Global Food Insecurity and Price Increase (USAID/OFDA, 2009)  

Niger - Food Security and Safety Nets (World Bank, February 2009)  
http://go.worldbank.org/0CY6ABS8M0

The Basics of Market Analysis for Food Security (World Food Programme, March 2009)  

Renegotiating the Food Aid Convention: Background, Context and Issues (July 2008)  
John Hoddinott, Marc J. Cohen, and Christopher B. Barrett  

Cross-border Trade and Food Markets in Niger: Why Market Analysis is Important for Humanitarian Action (WFP and FEWS NET, June 2007)  
http://www.odihpn.org/report.asp?id=2885

Impact of Food Aid and Developed Countries’ Agricultural Subsidies on Long-Term Sustainability of Food Security in Southern Africa (UNECA, 2007)  

http://www.fews.net/docs/Publications/1001044.pdf

The State of Food and Agriculture – Food Aid for Food Security? (FAO, 2006a)  

Assessing the Impact of Food Aid on Recipient Countries: A Survey (FAO, 2006b)  

Food Aid’s Intended and Unintended Consequences (2006)  
Awokuse - ESA Working Paper  

Does Food Aid Really have Disincentive Effects? New Evidence from sub-Saharan Africa (April 2005)  
Abdulai, Awudu, Christopher B. Barrett, and John Hoddinott  
Food Aid and Food Security in the Short and Long Run: Country Experience from Asia and sub-Saharan Africa (2005)
World Bank - Carlo del Ninno, Paul A. Dorosh, and Kalanidhi Subbarao
http://www.reliefweb.int/rw/lib.nsf/db900sid/AMMF-6PPKPY/$file/wb-gen-nov05.pdf?openelement

Assessing the Longer-Term Impact of Emergency Food Aid in Bangladesh, Ethiopia, and Malawi (World Food Programme, 2005)

The Case Against Emergency Food Aid (Jeffrey Sachs, 2005)
http://www.project-syndicate.org/commentary/sachs102/English

Food Aid for Market Development in Sub-Saharan Africa (IFPRI, 2004)
http://www.ifpri.org/sites/default/files/publications/dsgdp05.pdf

EU and US Food Aid - Effects on Local Production and Imports (2004)

Food Security Assessment (May 2004)
USDA, Agriculture and Trade Report No. (GFA-15)
http://www.ers.usda.gov/publications/gfa15/

Fifty Years of U.S. Food Aid and Its Role in Reducing World Hunger (USDA, 2004)
http://www.ers.usda.gov/AmberWaves/September04/Features/usfoodaid.htm

A post-Schultzian View of Food Aid, Trade, and Developing Country Cereal Production: a Panel Data Analysis (2004)
S. Lowder - Ohio State University (Ph.D. dissertation)
http://ageconsearch.umn.edu/handle/19919

Examining the Incentive Effects of Food Aid on Household Behavior in Rural Ethiopia (2003)
Jeff Dayton-Johnson and John Hoddinott

http://www.informaworld.com/smpp/content~content=a714003650~db=all

http://www.actionaid.org/docs/food_aid_briefing.pdf


Food Aid and Food Security Policy Paper (USAID, 1995)

Does Food Aid Depress Food Production? The Disincentive Dilemma in the African Context (1990)
V. Lavy, World Bank Working Paper No. 1406
Journal Articles:

The Impact of Food Aid on Maize Prices and Production in Swaziland (March 2009)
Agrekon - ML Mabuza, SL Hendriks, GF Ortmann and MM Sithole
http://ageconsearch.umn.edu/bitstream/49290/2/6.%20Mabuza%20et%20al.pdf

Impact of Food Aid on Smallholder Agricultural Development in Swaziland (June 2008)
http://findarticles.com/p/articles/mi_7400/is_2_8/ai_n32059141/

Does Food Aid have Disincentive Effects on Local Production? A General Equilibrium Perspective on Food Aid in Ethiopia (2005)
http://www.sciencedirect.com/science?_ob=ArticleURL&_udi=B6VCB-4M7KB34-1&_user=1887540&_coverDate=08%2F31%2F2007&_rdoc=1&_fmt=high&_orig=search&_sort=d&_docanchor=&view=c&_searchStrId=1269546815&_rerunOrigin=google&_acct=C000055192&_version=1&_urlVersion=0&_userid=1887540&md5=17c5f312aeafccc2b140789f9d8b2fc42

News Articles:

UN Agency Prepares Food Aid for Niger
26 Mar 2010, AFP
http://www.iol.co.za/index.php?from=rss_Africa&set_id=1&click_id=68&art_id=nw20100325222632

NIGER: Health Centres Bracing for Malnutrition Surge
24 Mar 2010 11:20:12 GMT, Reuters
http://www.alertnet.org/thenews/newsdesk/IRIN/a060d1c3c4efee4ae4888447b246161c.htm

Niger Food Crisis Looming
22 Mar 2010, SAPA
http://www.news24.com/Content/Africa/News/965/d89ac18242854095b6715b8ca272e412/22-03-2010-08-08/Niger_food_crisis_looming

Q+A- Niger and Chad on Hunger Alert
22 Mar 2010 14:47:00 GMT, Reuters
http://www.alertnet.org/db/an_art/58388/2010/02/22-144714-1.htm

Niger: ICRC Distributes Aid to Communities Affected by Drought
19 Mar 2010 15:46:12 GMT, Reuters
http://www.alertnet.org/thenews/fromthefield/220224/cc198575b4b59567f745e2191ea067a2.htm

Niger: More Needed to Avoid Catastrophe
11 Mar 2010, IRIN News

Niger Calls for $123 million in Food Aid
10 Mar 2010 12:59:00 GMT, Reuters
Niger Appeals for Emergency Food Aid
10 Mar 2010, Agence France-Presse (AFP)
http://www2.reliefweb.int/rwb.nsf/db900SID/AMMF-83EU2A?OpenDocument

GLOBAL: Calls to Reform Food Aid Convention (January 2009)
IRINNews

Niger Food Aid is Misdirected
September 2005, BBC News
http://news.bbc.co.uk/2/hi/africa/4239888.stm

Food Shortage Crisis in Niger Continues. Foreign Aid Up to $20 Million, But Arrives Too Late for Many (August 2005)
http://www.washingtonpost.com/wp-dyn/content/discussion/2005/08/16/DI2005081600947.html