

South And Southern Africa Food Security Outlook

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Agenda

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1. Background

- Countries battling with rapidly rising food prices;
- Threat to Millennium Development Goals;
- Positive correlation between rising food prices and increase in poverty;
- Benefits of Multilateral Debt Relief Initiative (MDRI) likely wiped out; and
- Consequent social unrest

Worldwide protests against the rising cost of living

NEW YORK – Anger over high food prices has sparked protests in several countries:

■ **AFGHANISTAN** – In the eastern city of Jalalabad, 300 protesters took to the streets last month over prices.

■ **ARGENTINA** – Farmers went on strike over tax policies and other measures, including export bans, aimed at taming food price inflation.

■ **BANGLADESH** – Last month factory workers rampaged at Fatullah, 12km east of the capital, Dhaka, in protests against rising food prices, leaving at least 50 people injured. Retail prices of wheat, edible oil and pulses had doubled in 12 months.

■ **BURKINA FASO** – Unions called a general strike last month over soaring costs of food and fuel that triggered riots in February. The government extended a suspension of import duties on staple foods.

■ **CAMEROON** – At least 24 people were killed in protests in February

tear gas at the end of March to disperse protests against price rises.

■ **EGYPT** – Thousands rioted in Cairo over rising wheat prices and a lack of jobs.

■ **HAITI** – Protests over high rice prices brought down the prime minister last month. At least six were killed in two weeks of riots in the poorest country in the Americas.

■ **MOZAMBIQUE** – At least six people were killed in protests in February over high fuel prices and living costs. The government agreed to cut the price of diesel for minibus taxis.

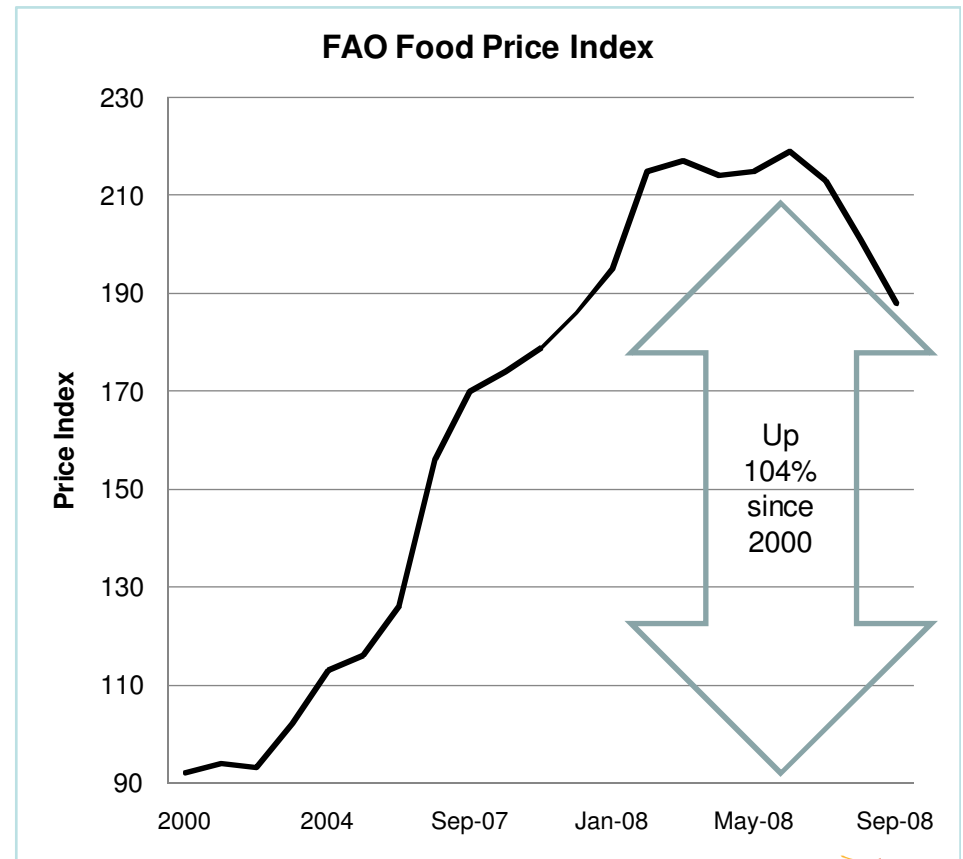
■ **PERU** – More than 1 000 women protested outside the Congress on Wednesday over high food prices.

■ **RUSSIA** – Thousands protested against rising food prices across the country on Thursday.

■ **SENEGAL** – More than 1 000 people, some carrying empty rice sacks, marched through the capital Dakar on April 26 to protest against rising

2. Causes of Food Insecurity

- Driven by multiple and complex factors, which affect food availability, access and utilization:
 - HIV/AIDS
 - Armed conflicts
 - Poor governance
 - Declining public health services
 - Debt, etc
- Current food insecurity concerns largely driven by world food inflation
- World prices increases particularly steep since 2007
- World wheat prices up 130% y/y to March 2008, rice up 80% and maize up 35%.
- Southern Africa countries experienced similar price patterns



Source: FAO

3. Price Influencing Factors

- A result of confluence of factors including;
 - High oil prices and high shipping & freight costs;
 - Competition with biofuel
 - Trade restrictions
 - Speculative activities
 - Low world food stocks
 - Climate change
 - Population and Income growth;
 - Agricultural underinvestment;



4. Food Security Definitions

FAO

*"Food security exists when all people, at all times, have **physical**, social and economic **access** to sufficient, safe and **nutritious** food that meets their dietary needs and food preferences for an active and healthy life".*

World Food Summit

*"Food security exists when all people, at all times, have **physical**, and economic **access** to sufficient, safe and **nutritious** food a healthy and active life"*

South Africa

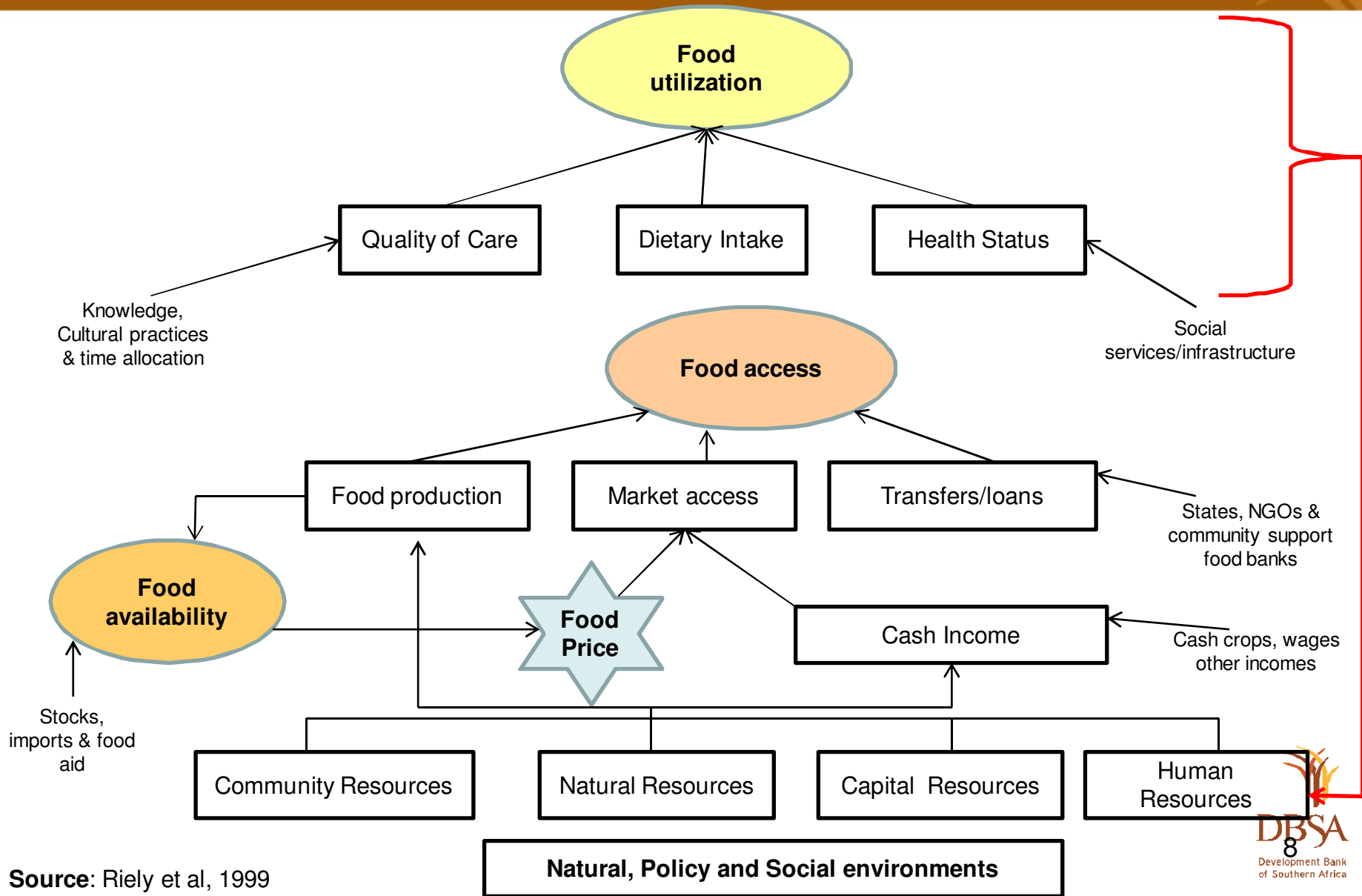
*"**physical**, social and economic **access** to sufficient, safe and **nutritious** food by all South African at all times to meet their dietary and food preferences for an active and healthy life"*

4.1 Components of Food Security Indicators



Food Availability	Means food is physically present because it has been grown, processed, manufactured or imported.
Food access	access by individuals to adequate resources (entitlements) for acquiring appropriate foods for nutritious diet”.
Food utilization/nutrition	determined by the quantity and quality of dietary intake, general child care and feeding practices, along with health status and its determinants

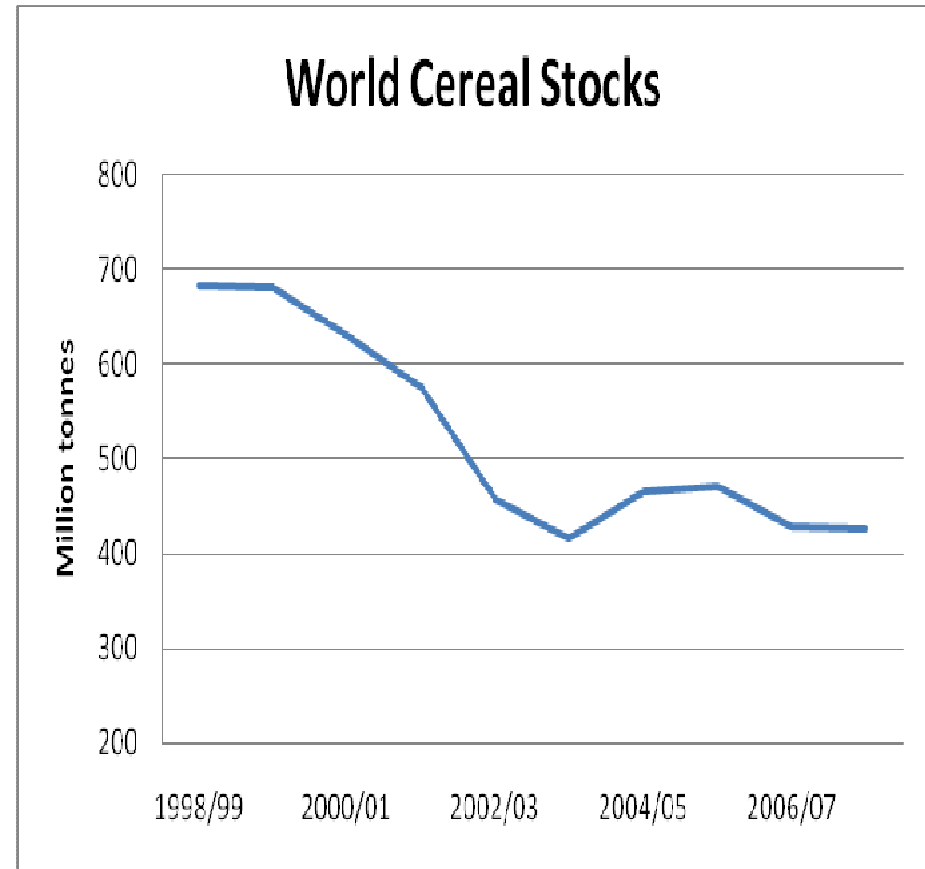
5. Food Security Conceptual Framework



Source: Riely et al, 1999

6. Food availability

- World cereal stocks are historic low levels;
- Largely due to the demand side of food equation
- Demand pressures in turn due to changing dietary needs, urbanization etc,
- Biofuel industry created a huge and new demand for feedstock (e.g. maize)
- Although cereal production is projected to increase, ending stocks are remain low;



Source: FAO Food Outlook

6.1 Regional Outlook: Cereals Supply & Demand Balance

	Current marketing season: 2008/09			Last marketing season: 2007/08	
	South Africa	Zimbabwe	Total SADC	South Africa	Total SADC
	'000 tons				
Opening Stocks	1,809	107	2,990	2,219	2,853
Production	14,981	654	29,053	9,383	24,662
Availability	16,790	761	32,043	11,602	28,515
Gross requirements	13,758	2,360	32,919	12,586	30,691
Desired stock requirements	1,701	120	2,365	1,670	2,389
Demand	15,459	2,480	35,184	14,256	33,080
Deficit/Surplus	1,331	-1,719	3,141	-2,654	-4,565

Source: SADC National Early Warning Units

7. Food Access

- Food can be accessed through various means (own production, purchases, food aid);
- Inflation eroding purchasing power and has on food access;
 - Rural and urban poor
- Global food inflation also leads to rising import bills
- LIFDC at major disadvantage
- 82 countries on the LIFDC list, 41 African countries and 7 SADC member states

	DEVELOPING COUNTRIES		LIFDC's	
	2007	Increase over 2006	2007	Increase over 2006
	<i>US\$ million</i>	<i>Percent</i>	<i>US\$ million</i>	<i>Percent</i>
Cereals	100,441	35	41,709	33
Vegetables	55,568	60	38,330	67
Meat	20,119	18	8,241	31
Dairy	25,691	89	9,586	89
Sugar	11,904	-14	4,782	-37
TOTAL FOOD	253,626	33	119,207	35

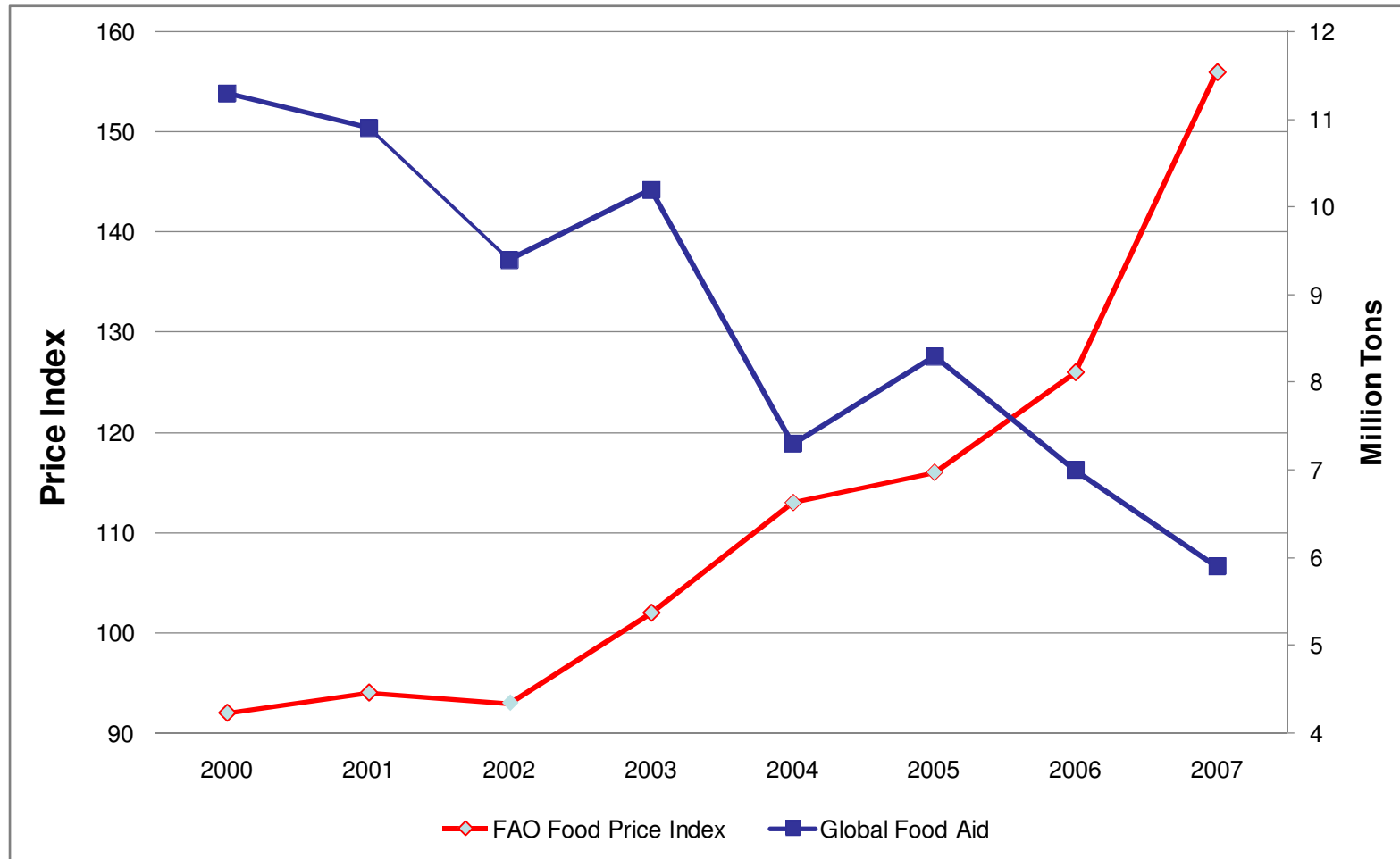
Source: FAO, 2008
LIFDC- Low Income food deficient countries

7.1 Lost benefits from Multilateral Debt Relief Initiative (MDRI)?- Food Access Cont.

COUNTRIES	PROJECTED DEBT RELIEF	PETROLUEM IMPORTED	MAJOR CEREAL IMPORTED	PREVALENCE OF UNDERNOURISHMENT
	US\$ million	Percent (%)		
Zimbabwe	-	100	2	47
Zambia	27.7	100	4	46
Mozambique	35.5	100	20	44
Malawi	55.1	100	7	35
Madagascar	33.2	100	14	38
Botswana	-	100	76	32

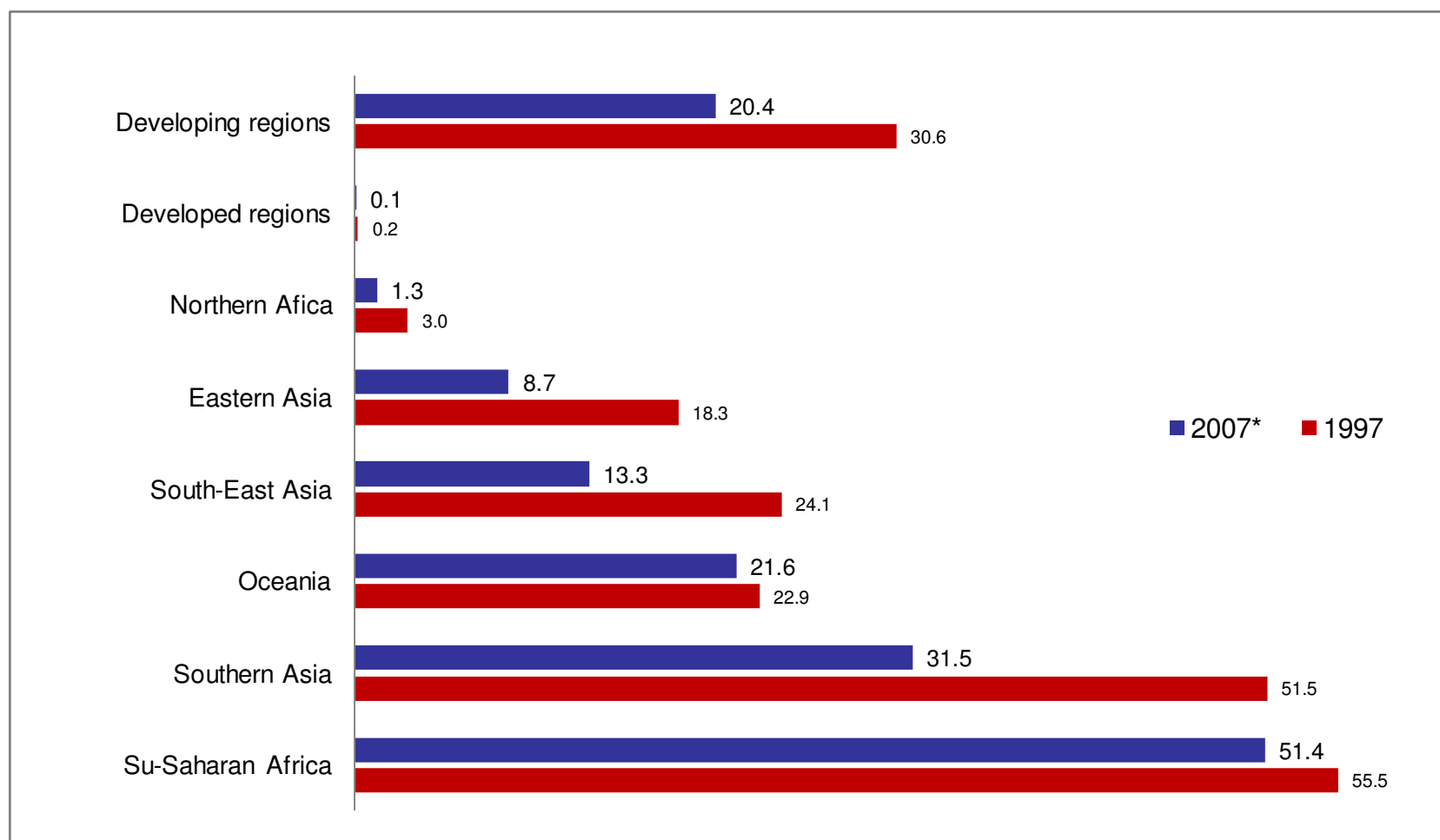
Source: FAO and IMF

7.1 Declining Food Aid flow in the face of inflation



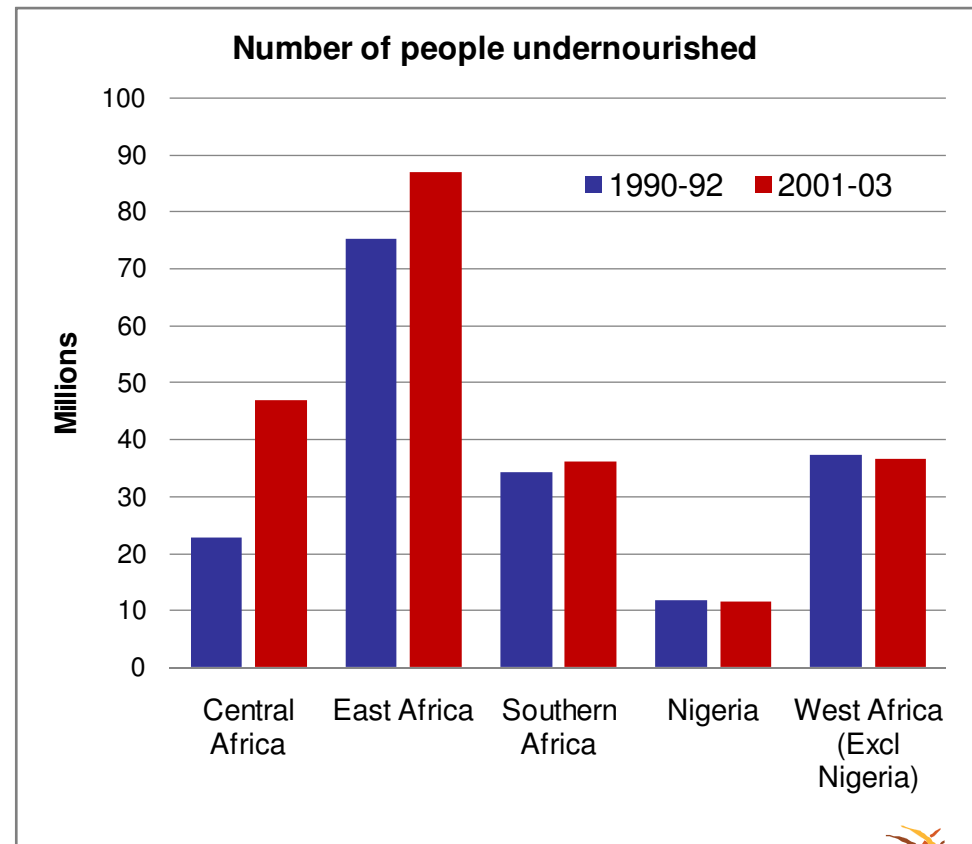
Source: WFP

7.3 Proportion of employed people living below \$1 (PPP) a day, 1997 and 2007



8. Food Utilization/Nutrition

- Food quality, preparation methods, nutritional knowledge and health status of individuals;
- Usually reflected on nutritional status of individuals;
- High costs of food insecurity can be through:
 - high health and medical costs,
 - low labour productivity,
 - low educational development,
 - funeral expenses
 - Low countries economic growth etc
- Sub-Saharan Africa has largest number of people undernourished



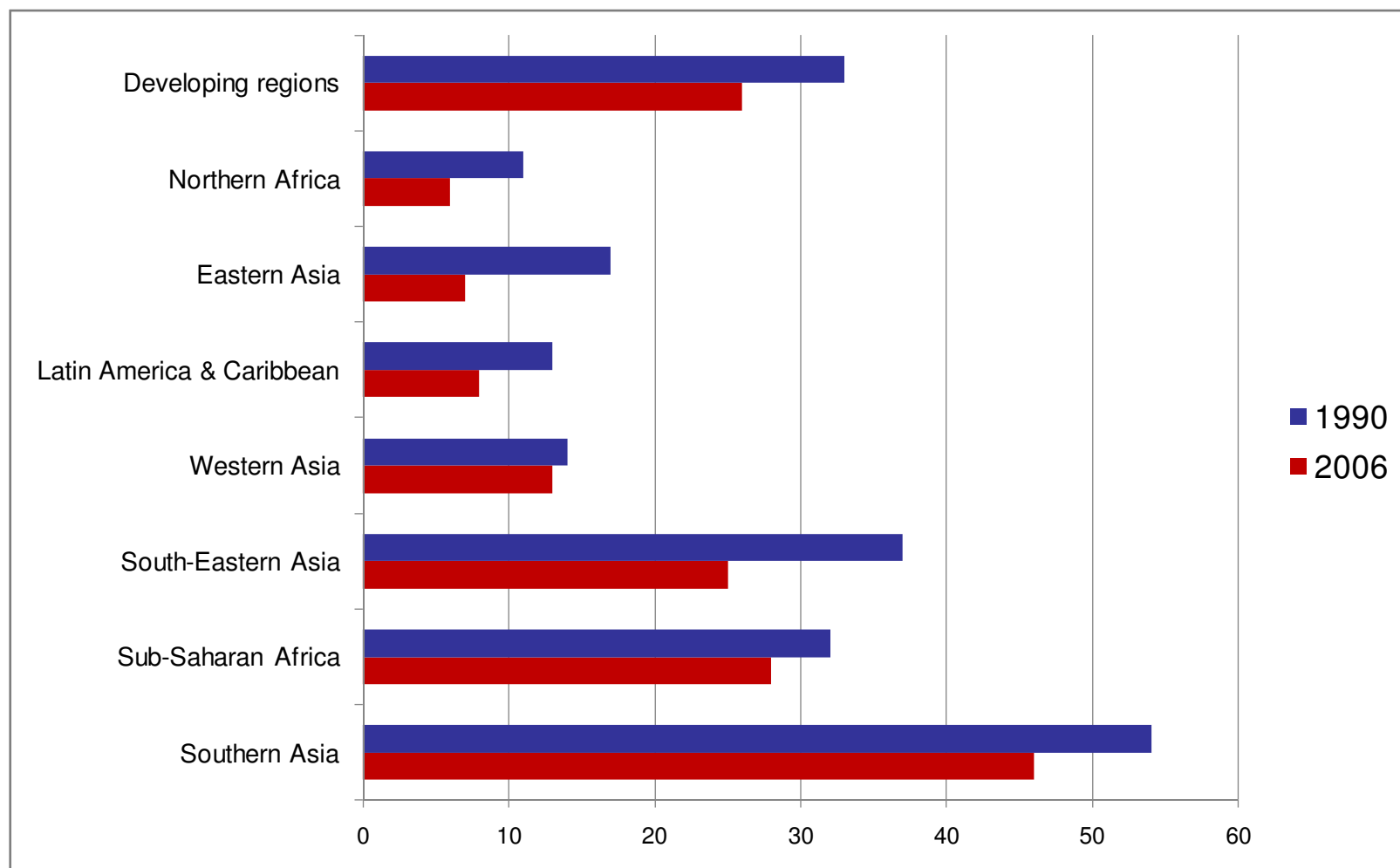
Source: FAO

8.1 Nutrition Security

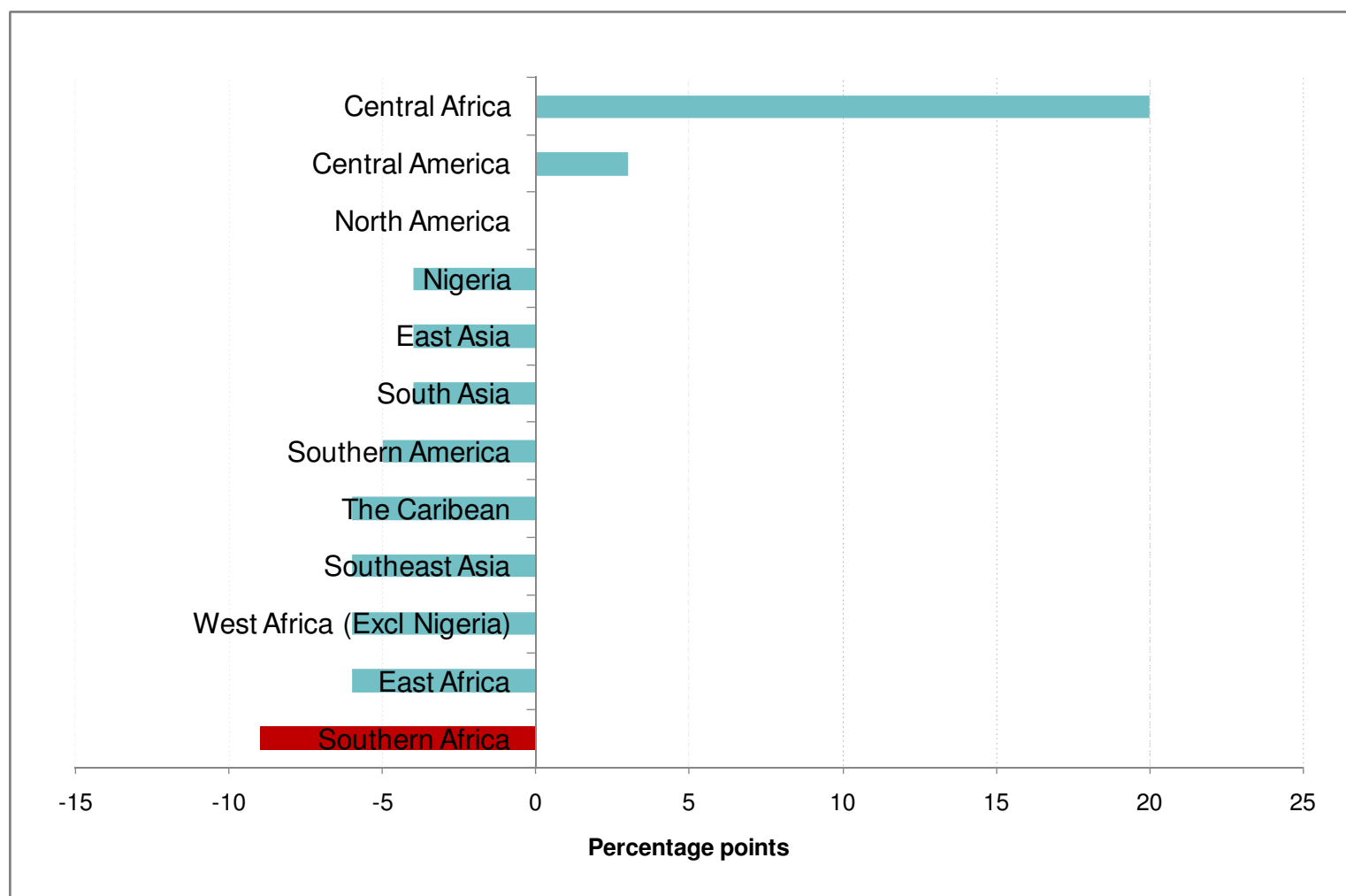
- Essential nutrients deficiency and overweight co-exist
- ↑ Salty, Sugary, Fatty, Refined foods
- ↓ Physical activity, fruit and vegetables
- Hunger and Plenty co-exist



8.1 Proportion of children under five who are underweight, 1990 and 2006

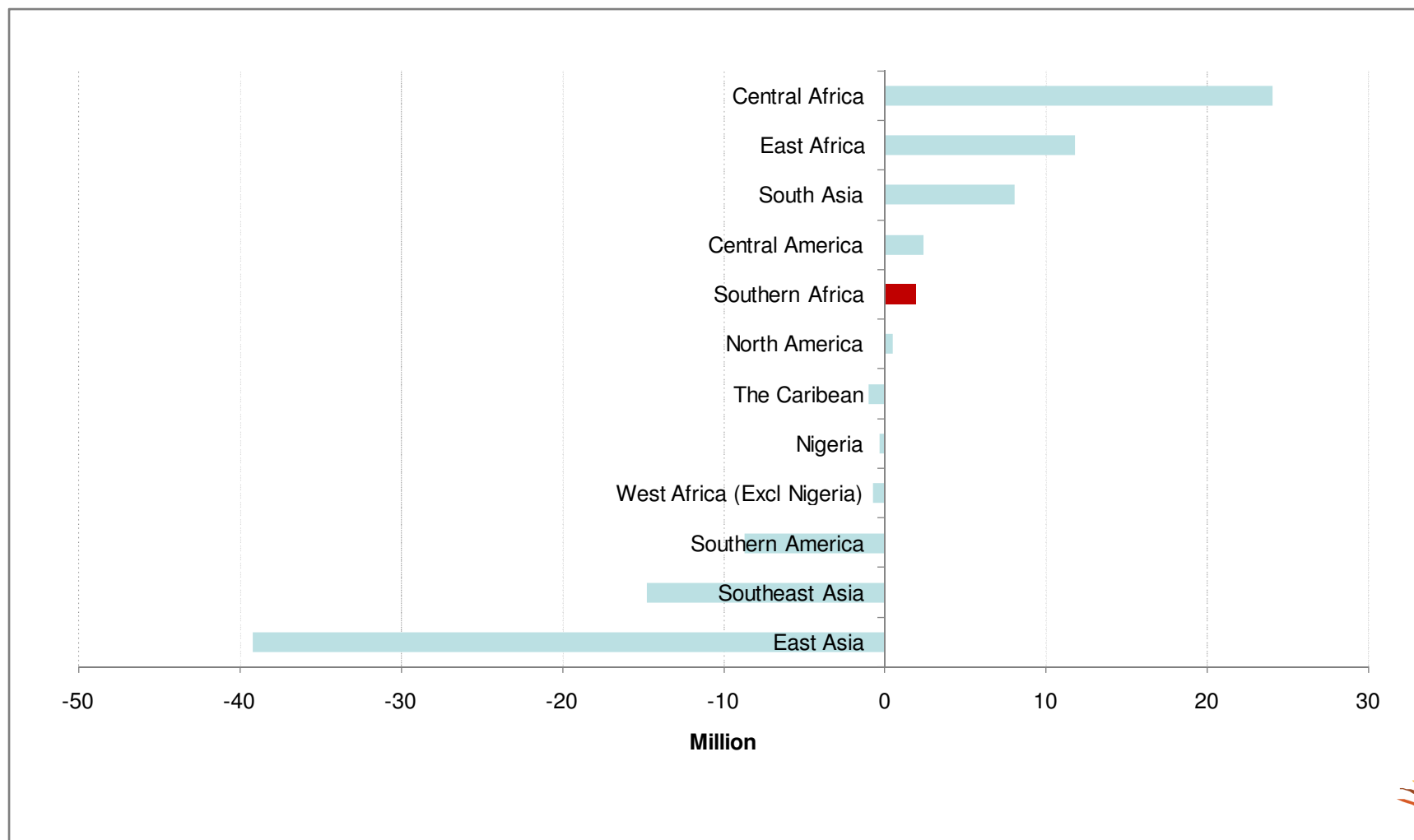


8.2 Changes in proportion of undernourished in sub-regions from 1990-92 to 2001-03



Source: FAO

8.3 Changes in number of undernourished in sub-region from 1990-92 to 2001-03



Source: FAO

9. Responses to Global Food Inflation

- Immediate action was increased funding to WFP;
- CAADP became a reference point for action in the agricultural sector in Africa;
- Through CAADP, State leaders committed to 10% budgetary allocation to agriculture;
- Other measures being debated include;
 - Reduction of trade distorting measures;
 - Selective subsidies targeted at poor;
 - Increasing investment on productive agricultural resources;
 - Investment in rural and trade infrastructure
 - Productive input subsidies;
 - Improving safety nets and disaster management system
 - Increasing purchasing powers
- Need for right balance between food prices (farmers' incentives) and food access by poor.

10. Conclusion

- Southern African region a mix bag of food deficient and food surplus
- Food surplus availability does not necessarily translate into food security
- Trade restrictions compounding the problems in food deficient countries;
- Non-oil producing countries also at a significant disadvantage; and
- On the whole, food inflation likely have impacted on regional food security

Thank you