

NEWS from *The International Policy Council on Agriculture, Food and Trade*

1616 P St NW #100 Washington DC 20036 tel:(202)328-5056 fax:(202)328-5133 internet: www.agritrade.org

DATE: October 18, 1999
CONTACT: Peter Lacy (202)328-5056
Interviews possible

FOR IMMEDIATE RELEASE

Africa Could Feed Itself and Export Food, Says IPC

Victoria Falls, Zimbabwe -- The International Policy Council of Agriculture, Food and Trade (IPC) met in Zimbabwe on October 13-15, 1999, to examine Africa's future role in world agricultural trade and to listen to African farmers' hopes and aspirations for the World Trade Organization (WTO) agricultural trade negotiations to be launched in Seattle November 30-December 3, 1999.

The IPC noted that, while Africa is the one continent which has experienced declining per capita food production for the past three decades, there are a number of encouraging signs that Africa's farmers and food industry are responding to market opportunities. The Council found that African agriculture has under-performed relative to its potential in the post-colonial period. There is no reason that Africa cannot efficiently produce more of its food supply and generate export earnings as well. However, for this to occur, African governments, which often tax their farmers heavily, must give higher priority to agricultural development, and high income countries must stop burdening poor countries with the adverse spillover effects of their subsidy programs. Africa contains many of the world's poorest countries, and the majority of its poverty is in rural areas. In many African countries, 70 percent or more of the population are farmers, and they generate substantial fractions of their countries' GDP and export earnings.

Acknowledging the large amount of development assistance that has gone into Africa, and the continuing extent of poverty on that continent, the IPC concluded that expanded trading opportunities would help Africa more than aid. The same can be said for the special and differential treatment for low income countries that past trade agreements have provided. Foreign assistance to low income countries should be focused on increasing their competitiveness to take advantage of market opportunities that arise from the next WTO agricultural trade agreement.

- more -

However, developing countries often confront protectionist barriers in high income countries for the very products which they can produce most efficiently, such as sugar and textiles. The IPC calls for special attention to be given in the upcoming round of WTO trade negotiations to expanding access to high income country markets for exports from low income countries. It finds that the common practice of charging higher tariffs on processed foods than on the raw materials is particularly detrimental to economic development in poor countries. The next round of trade negotiations should reduce further the tariff rates charged and, where agricultural imports are constrained by quotas, expand the volumes admitted at these reduced rates. Non-tariff barriers to Africa's food exports which have little basis in science should be dismantled.

The IPC is concerned that the common practice in the European Union and the United States of subsidizing agricultural production and then subsidizing exports of the resulting production—both directly and as food aid—is particularly harmful to farmers and the food industry in the low income countries which receive those products. While this practice may help keep the price of food low in the cities of the recipient countries, it depresses returns to their farmers, who are usually the lowest income members of society in poor countries. The IPC calls for continued reduction in subsidies linked to agricultural production and the export of specific commodities.

African governments also have an important role to play in encouraging development of their agriculture. Agricultural development will only occur if there is a stable macroeconomic environment in which agriculture is not taxed more heavily than other sectors of the economy. There need to be investments in rural roads and communications to link farms efficiently into the national and international economies. Governments need to create an enabling environment for private sector development in agricultural product and input markets, including both large and small farmers in growth opportunities. And governments need to break down the administrative barriers to freer movement of goods within the region.

Developing countries need investments—from both international assistance and foreign direct investment—that improve their competitiveness to ensure that as greater market access occurs, they will be in a competitive position to take advantage of those opportunities. This includes infrastructure, research, human resources and know-how, and laboratories to ensure that exporters can meet the food safety quality standards required by the international market.

- ## -

The IPC is an independent organization dedicated to developing policies that support an efficient and open global agricultural system. Its membership includes 35 leaders and experts from 20 developed and developing countries, with backgrounds in farming, business, government and academia.