

The global food crisis: implications for agriculture in Africa

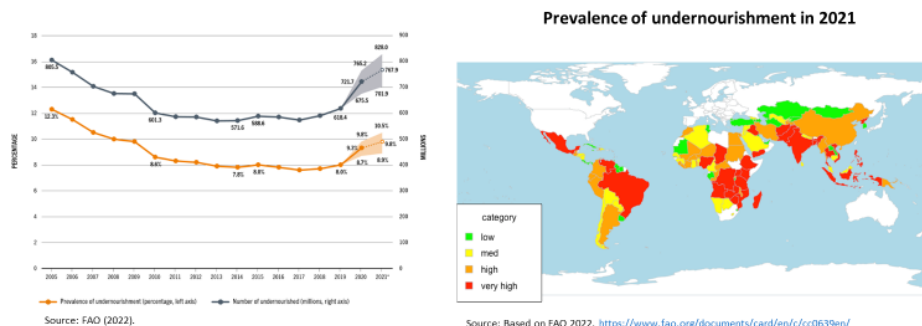
Joachim von Braun¹

A presentation to the All-Party Parliamentary Group on Agriculture and Food for Development (AgDev)
Monday 18th July 2022 from 18:30 - 20:30 in the Attlee & Reid Room, House of Lords, London, SW1A 0AA

1. Food Systems in Crisis – globally and in Africa

Food systems actually are impacted by a new set of multi-dimensional problems that have accumulated toward a very serious crisis increasing the already bad food situation (Figure 1).

Figure 1: Global hunger in times of Crises



The set of problems and their combined effects for people and planet include²,

- **Covid19** continues to disrupt food value chains,
- **wars** create hunger where they occur, divert resources from human development, and - some like the Russian war in Ukraine - have global impacts through hindering food and fertilizer trade,
- accelerated inflation and especially **food price inflation** make healthy diets unaffordable for about 3 billion people,
- increased **costs of raw material** and of processing are constraining food industries,
- accumulated **debts** curtail social protection and nutrition programs, directly impacting the poorest and children,

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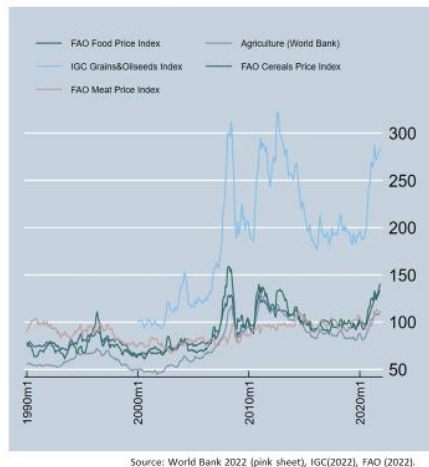
² For more background see: Kornher, L. and J. von Braun. 2022. **Higher and more volatile food prices - Complex implications of the Ukraine war and the Covid-19-pandemic.** (ZEF Policy Brief 38) [Download \(english\)](#)

- climate change results in acute **climate stress** and undermines food systems' and peoples' resilience,
- **destruction of nature**, erosion of biodiversity and agro-biodiversity undermine food security in the long run.

These problems are interconnected and reinforce each other. Development partners' response has been significant, but not sufficient and unbalanced.³

Since the beginning of the Covid-19-pandemic, international food prices have become more volatile and have risen sharply. They have now reached the level of prices during the food crises of 2007/2008 and 2011 (Figure 2).

Figure 2: High and volatile Prices



Russia's military attack on Ukraine has driven up food prices further. Together the two countries account for 20% of global maize exports and 30% of global wheat exports. The hampered trade flows directly affect major importing countries in the Middle East and Africa, and poor people at a global scale.⁴ Rising input prices (fertilizer and energy) and higher transport costs have made agricultural production significantly more expensive. All this has already increased hunger. Food prices are not expected to fall to pre-crisis levels anytime soon. In the context of increasing climate risks, these market and price risks are serious threats to political stability. Moreover, when prices were to fall, this does not mean the food problem is over, because the purchasing power of the poor 3 billion has now eroded because of the crisis. They cannot afford a healthy diet even at somewhat lower food prices. Some of the implications and dynamics of crisis for the case of Ghana are in Figure 3.

A food systems perspective is required to identify the actions needed to achieve transformation toward sustainable food systems, while also managing the crises in the short term. This raises complex questions of tradeoffs and synergies of actions.⁵

³ Lukas Kornher, Heike Baumüller and Joachim von Braun. 2022. **G7 Development Assistance for Food Systems to Lift 500 Million People out of Hunger by 2030.** (ZEF Policy Brief 39) [Download \(english\)](#)

⁴ See FAO Food prices monitoring & nowcasting <https://www.fao.org/datalab/website/web/food-prices> World Bank; Food Prices for Nutrition DataHub <https://www.worldbank.org/en/programs/icp/brief/foodpricesfornutrition> AGRA Food Security Monitor June 2022 and sources referenced there <https://agra.org/resource-library/food-security-monitor/>

⁵ **Food system concepts and definitions for science and political action.** Joachim von Braun, Kaosar Afsana, Louise Ottilie Fresco, Mohamed Hassan & Maximo Torero *nature food 2021* <https://www.nature.com/articles/s43016-021-00361-2>

Costing actions and identifying the “true costs of food” (True Cost Accounting) - including environmental and health externalities - provide an important framework for priority setting of actions and implementation by the public- and corporate sectors.⁶

Figure 3: Multidimensional crisis: A narrative from Ghana



- High **international fertilizer prices** and Ghana's fertilizer import dependency from Russia (30%) caused fertilizer prices 5 times higher than before
- Due to increased **public deficit**, Ghana had to **reduce its fertilizer subsidy** from 50 per cent in 2021 to 15 per cent in 2022 (only 50% of amount)
- Farmers in Ghana **reduce fertilizer application** and/or switch from staples to other crops that need less fertilizers
- **Harvest shortfall** of 2022 season will need to be compensated by maize **imports at high prices**
- Government has imposed **export restrictions** for maize that affect neighboring countries

2. Courses of action for policy and partnerships

In this complex crisis policy makers are confronted with **hard choices** to address the challenge of food systems' **transformation** toward sustainability and resilience, while also managing the **acute food crisis**. At the center of solutions to this challenge are **innovations**, that is, policy-, technological-, and organizational innovations. These must be based on science, some must be international, and most adapted to the national and local levels. Having international and African decision makers in mind, first, ten components of short-term priority actions are listed, followed by ten medium- to long-term priorities:

2.1) Short-term priorities

1. The complex global and African food crisis situation must remain high on the **international agenda** of the African Union, the UN as a whole, G20, and G7, and still consider the UN 2021 Food Systems Summit's recommendations for food system transformation.
2. Because wars and conflicts increasingly are main root causes of hunger, **conflict prevention** and resolution must be a component of the (food) security policy agenda, including in Africa.
3. **Facilitate food trade** through international efforts to **unblock grain supplies**; Economic sanctions against Russia need to consider indirect impacts on emerging economy countries; Compensation of indirectly impacted nations and people, e.g. through coordinated stock releases of exporting countries. Further **Strengthening of The World Trade Organization (WTO)** for coordinated prevention of export stops by individual countries.
4. **Expanding trade finance in local currency in Africa**: a number of banks in Africa have already joined the Pan-African Payment and Settlement System (PAPSS), created by the African Export-Import Bank (Afreximbank) to facilitate intra-African trade through the settlement of transactions in local currencies under the Africa Continental Free Trade Area.
5. **Reducing demand for biofuel and animal feed** in richer countries to reduce pressure on food prices; this may be through consumer engagement, subsidy cuts, and taxes. (Note: Ukraine and Russia Maize

⁶ **The True Cost and True Price of Food.** Sheryl Hendriks et. al, A paper from the Scientific Group of the UN Food Systems Summit June 2021 https://sc-fss2021.org/wp-content/uploads/2021/06/UNFSS_true_cost_of_food.pdf

exports were about 36 mill. tons, Maize in EU&UK biofuels are 7 mill. tons, and for animal feed 62 mill. tons).

6. **Curbing excessive food commodity price speculation**, by the re-enforcement and thorough monitoring of daily position limits as soon as trading activities on the commodity futures markets show abnormalities.⁷
7. **Temporary mitigation measures for critical sectors to cope with high energy, fertilizer, and food prices** in African countries, coherently addressing fuel imports tariffs and subsidies.⁸
8. Scaling **forecast-based financing of hunger prevention**: based on innovative climate and policy risk data systems with AI analytics, to facilitate action before crises turn into famines. Civil society organizations can play an important role in these and other innovations.
9. **Social protection**: African low- and middle-income countries should be supported to strengthen flexible social protection programs and, where such programs do not yet exist, to build them up, e.g. with cash transfer programs, employment programs,
10. Focused **nutrition programs** need scaling through school feeding, and health systems, and food fortification to quickly address the mounting diet deficiencies among the urban and rural people in Africa.

2.2) Medium- and Long-Term Priorities:

Strategic priorities require detailed granularity of investment actions, promotion of innovations, and policy reforms that hold promise not only individually but also foster synergies among them, depending on country circumstances. In all investment priorities regional and international cooperation is essential. To narrow down the priorities, the main criteria can be the expected contribution of investment and policy actions to **transforming Africa's agricultural production potentials into realities**, i.e. actually securing its supply of food for affordable and healthy diets from sustainable use of resources. Ten top priorities are highlighted by a team of food and agricultural experts for transforming African agricultural and food systems potentials into reality⁹:

1. **Invest in young women and men**, i.e. vocational training and extension services, to improve skills for all core and support professions along the entire value chain.
2. **Invest in innovation and related agricultural research** on crops, animal production, agro-forestry and fisheries.
3. Support producer and local private sector-led development and adoption of environmentally **sustainable small-scale irrigation, rural energy, digitalization and mechanization** of production.
4. Implement sustainable land use, integrated and science-based **agroforestry practices, incentive-based conservation and agro-ecological approaches**.
5. Invest in **mobile connectivity** for rural areas and across Africa as a prerequisite for digital tools to be widely and effectively used in the food and agriculture sector.

⁷ Lukas Kornher, Joachim von Braun and Bernardina Algeri. 2022. **Speculation risks in food commodity markets in the context of the 2022 price spikes - Implications for policy.** (ZEF Policy Brief 40) [Download \(english\)](#)

⁸ Some governments sub-Saharan Africa are applying short term fuel subsidies (e.g. Kenya, Tanzania and South Africa); Address the fertilizer problem (Tanzania, fertilizer bulk procurement system, subsidies for vulnerable smallholder farmers). Ghana (Food Subsidy Program). Nigeria (activation of Strategic Grain Reserves).

⁹ Heike Baumüller, Assefa Admassie, Sheryl Hendriks, Getaw Tadesse, Joachim von Braun. ed. 2021. **From Potentials to Reality: Transforming Africa's Food Production. Investment and policy priorities for sufficient, nutritious and sustainable food supplies.** Peter Lang Publ. 2021. <https://www.peterlang.com/document/1140483> and download at https://www.zef.de/fileadmin/downloads/ZEF_Akademiya2063.pdf

6. Improve market access through **rural infrastructure** investments, and facilitate the participation of small-scale producers and small businesses in inclusive local and continental value chains, including opportunities of the **African Continental Free Trade Area**.
7. Provide suitable frameworks and finance for the **agro-processing sector, and invest in technological innovations to reduce food losses and waste**, in particular on the farm and in the early stages of processing.
8. Improve the financial infrastructure and regulatory frameworks for **agricultural banking** to facilitate investments by small-scale producers and small businesses, including micro-finance.
9. Implement policy interventions that **improve the business environment for agriculture**, reduce corruption, build peace and stability among farmers and herders, and ensure strong representation of farmers' organizations in food and agriculture policy.
10. Align **development support to Africa's own agricultural transformation agenda** at the continental level, i.e. the African Union Agenda 2063 with the Malabo Declaration, and at the country level, and sustain and expand development assistance in the above-mentioned priority areas for agriculture development and food security.

The integration to safeguard food, climate and biodiversity require different **global and national food governance structures** to reconcile humanity with nature in the Anthropocene. The food governance system of the UN incl. the Rome-based agencies FAO, IFAD, WFP needs revisiting for building capacity to address complex crises in partnership with Africa.

3. Learning from and accelerating Africa's own successes in food and agriculture

Africa has made great strides in advancing towards the goals set under the Malabo Declaration and the Sustainable Development Goals. Yet, that progress is fragile and ensuring food security and improved nutrition is still a challenge. As it stands, Africa is not on track to achieve the major goal of Zero Hunger by 2030 (SDG 2).

Between 2017 and 2020, the Malabo Montpellier Panel analyzed the policy and institutional innovations across seven thematic areas: including nutrition, mechanization, irrigation, digital agriculture, the energy-agriculture nexus, livestock, and trade to identify what the most successful countries have done to achieve sustained progress. Asking, what needs to be done to achieve a food systems transformation in Africa that is sustainable, resilient, equitable, and in line with overall climate goals and ambitions; and what must Africa's leaders and development partners prioritize to maintain or even accelerate the pace of economic recovery and agriculture growth achieved so far? The Report "Recipes for success" (2021)¹⁰ can serve as a resource for African policymakers, development partners and the private sector. It has these ingredients:

- INTEGRATE food systems transformation into long-term national vision, growth and development agendas.
- ELEVATE African science and technology priorities and create research capacity for home-grown solutions.
- INNOVATE to create the policies and technical solutions that will support the transformation of food systems.

¹⁰ Malabo Montpellier Panel (2021). *Recipes for success: policy innovations to transform Africa's food systems and build resilience*. DOI: <https://doi.org/10.54067/9781737916420> Copyright 2021 AKADEMIYA2063, Imperial College London, and Center for Development Research (ZEF) University of Bonn. <https://www.mamopanel.org/resources/reports-and-briefings/recipes-success-policy-innovations-food-systems-tr/> The Malabo-Montpellier Panel is a thank tank of 17 food and agricultural policy experts, Co-Chaired by Ousmane Badiane and Joachim von Braun

- CO-ORDINATE action across government for increased policy cohesion, and more broadly across sectors for greater impact.
- OPTIMIZE conditions for sustainable growth through smart regulations that amplify complementarities and create synergies across the food system.
- STIMULATE holistic investment in infrastructure including addressing the constraints that might deter private sector investments.