

FAO/University of Pretoria workshop  
**Partnerships between government and the private sector to  
overcome food shortages**

**Background, content and purpose of the Workshop**

Andrew Shepherd, Senior Marketing Economist, FAO, Rome

Ladies and gentlemen,

The topic of this workshop is something that has been of concern to FAO for many years. Following structural adjustment and marketing liberalization in the late 1980s and early 1990s it became clear that the development of a private grain trading sector could receive a serious setback if a major drought led to ad-hoc interventions by governments in areas such as price setting, export and import controls, uncoordinated release of stocks and large-scale imports that bypassed the private sector. This concern was shared by the Dutch Government, with whom we collaborated on a detailed study of the marketing implications of drought and the possibilities of developing intra-regional trade by the private sector.

At the time of the 2001/03 drought it appeared that the response of most governments and donors in the region envisaged only a marginal role to be played by the private sector in overcoming national food shortages. The idea for this workshop originated at that time but we were unable to identify funding for such a meeting. I should like to join with the FAO Representative, Mr. Mburathi, in thanking the Government of France for now making such a workshop possible.

When confirmation of funding for this workshop was received, Prof. Johann Kirsten was working in FAO in Rome on a sabbatical. As I had participated ten years ago in a South African Agricultural Outlook Conference organized by Johann and the University of Pretoria, I was well aware of his organizational skills and immediately approached him to see if he could run this workshop for us. I'm delighted that he shared my view of the importance of the topic and that he rapidly agreed to collaborate. I'd like to thank him and his team for all the hard work that has been put in to make this gathering possible.

It is unfortunate that a workshop originally conceived of at the time of the last drought is now being held as we are coming to the end of yet another drought. Unreliable rains are a fact of life in the eastern and southern African regions but every time they occur governments seem to be taken by surprise and policy responses exhibit a great degree of panic. It can be argued that in many cases those policy responses have served to exacerbate rather than ameliorate the situation and have put in jeopardy the development of sustainable private sector food grain marketing systems. Droughts spur governments into action, which is what is required, but the potential consequences of their actions on marketing systems have to be carefully considered.

The theme of this workshop is not food aid and relief programmes. Where people have no food, no money and no coping strategies it is clearly necessary for governments,

**donors and agencies such as WFP to intervene in order to prevent starvation. But even in the worst drought there remains a sizeable commercial market that the private sector could be supplying. People continue to have jobs and earn wages to buy food. Unfortunately, when there is a national cereal deficit governments tend to feel that they should take on responsibility for covering the entire deficit, failing to recognise the capacity of the private sector to meet the commercial demand.**

**The main focus for the next two days is, therefore, on identifying how to create the conditions in which the private sector can efficiently, *and profitably*, meet commercial demand at all times, and not only when there are domestic surpluses. We need to look at the policies, rules and regulations governing the maize trade; at logistics involved in moving large quantities of commercial and non-commercial food within the region; at the role of grain reserves; at the role of the small-scale sector and of cross-border trade; and at ways in which confidence between the governments of the region and the private sector can be enhanced. Improving information also needs to be discussed.**

**This year's rains are reported to be good in much of the region. But this certainly does not negate the purpose of this workshop. In fact, a year when there is no pressure to respond to drought provides a perfect opportunity to make policy that will lead to a realistic response to future droughts.**

**With diverse participants from the private sector, governments and marketing boards, as well as from international organizations, I doubt that our conclusions will be unanimous but I hope that we can, at least, outline the scope for improved partnerships to address food shortages. One thing that should be acceptable to all is that improved communication is essential for problem solving and I trust that this workshop will result in further efforts at improving communication both nationally and regionally.**

**Thank you.**