

## **Background to the workshop**

At the recent Summit on Food Security in Africa, held in Abuja, Nigeria on December 4-7, 2006, the Heads of State of the countries that are members of the African Union resolved to, among others: “Expand markets, with particular attention to Africa’s own demand and to promote inter-African trade in staple foods”. To promote this objective the Heads of State agreed to promote and protect several staple products, designating them as strategic commodities, at the continental level, and some other products at subregional level, and facilitate the attainment of self reliance for several staple food products.

The potential demand for African agricultural products and the opportunities currently being missed are apparent from the following fact: Of the \$10 billion of food imports into African countries (average 2002-2004), only 10 percent is met through regional trade. The welfare of many of sub-Saharan Africa’s smallholder farmers and consumers could be greatly improved if countries’ food requirements could to be met more consistently and efficiently by surplus production within the region. This workshop is motivated by the need for a more detailed consideration of staple food trade and market policy options to promote farm productivity growth, food security, and poverty reduction in Africa. It is also motivated by the concerns for regional trade agreements to promote the above objectives.

Another motivating factor for the workshop is the emerging perception within many African governments that they are not in a strong position to articulate a strategy for negotiation in the WTO and end up being passive recipients of various modalities and rules, largely formulated by, and based on strategies and interests of, developed countries, the purpose of which is not necessarily compatible with promoting development in the South. At the same time, this perceived weakness may have led to the defensive strategies of many developing countries who seek to maintain high bound levels of agricultural protection, despite the perceived large margins of concessions they could offer without adversely affecting their producers, in light of the large tariff overhang.

In the course of working with developing country government officials on WTO related issues and capacity building, it has become apparent to the professionals in the FAO Trade and Markets Division that there is a need to supplement the WTO related debates and capacity building activities, with a clearer understanding and reflection among policy makers and those seeking to provide policy advice on the likely impacts of alternative agricultural trade and marketing policies on agricultural growth and food security. Hence there is a felt need in many developing countries to promote understanding of how agricultural trade policies are related to overall growth, food security and poverty alleviation objectives and strategies, and what types of agricultural and food sector trade policies would be more conducive to the various development objectives. This is a prerequisite to successfully negotiating appropriate trade rules in the multilateral negotiations of the WTO, but also for entering into various bilateral and regional trade agreements.

One of the regions where this need is felt very strongly is Eastern and Southern Africa (E&SA). The region has considerable potential for producing basic food products, such as cereal staples, but has experienced growing food imports of those, and other related products, over the last decade. Data suggests that of the very large and growing imports of cereals into E&SA countries, only a small share originates in other E&SA countries or the other African countries in general. This is a matter of considerable importance, as any enhanced production and productivity of these products in the region, in order to boost rural incomes and food security, will need to find market outlets in national and regional markets as well as in international markets. National and regional trade policies could be crucial in ensuring that

such markets grow and serve the development objectives of boosting domestic and regional production.