



Statement

By Hon. Rwamirama Bright K.

Uganda's Minister of State for Agriculture Animal Industry and Fisheries in
charge of Animal Industry

On Food Price Volatility

During the Ministerial Segment of the 40 session of the Committee on World
Food Security (CFS)

07 October 2013

Mr. Chairman

Dear colleague Ministers

Excellencies

Distinguished Ladies and Gentlemen

On behalf of Government of Republic of Uganda I wish to express my appreciation to Prof. Graziano da Silva the FAO Director General and his staff for extending the kind invitation for Uganda to participate in this timely and crucial meeting. It gives me much pleasure to interact with friends to deliberate on ways to address the challenges imposed by food price volatility in our region and elsewhere in the world. For us, this is indeed time well spent.

Mr. Chairman, we may recall that the Global Food Crisis which started around 2008 climaxed around 2009-2010 when the world witnessed many food riots especially in the developing World. Consequently in December 2011, Uganda in collaboration with FAO hosted a national Workshop on food price volatility which was very successful. The aim was to raise awareness of various policy options and programmatic actions and their implications for short and long-term agricultural development, food and nutrition security at the country level. The highly consultative meeting brought together political leaders, members of parliament, representatives of government, non-Governmental Organizations and the private sector, whose views have since been considered in our national legislation and policy making.

Ladies and Gentle Men

Much as its share in total gross domestic product (GDP) has declined from over 50 percent in the early 1990s to less than 20 percent in the recent past, the Agricultural sector in Uganda still remains the most important sector. It employs more than 75 percent of the population in addition to supporting livelihoods of close to 70 percent of all households. This underscores the need for significant increase in investment in the sector.

The current food price crisis has reinforced the need to improve agricultural production and productivity and calls for increased investment into the sector by both the governments and developing partners. Mechanisation of Agriculture, Soil fertility management, Irrigation, Animal Nutrition, Improved planting and staking materials and value addition need serious attention. Needless to say that these investments will only be meaningful if they are directed by appropriate policy measures that safeguard the interests of the majority of the population, which largely depends on agriculture.

Mr. Chairman, we believe that although well-functioning markets are considered essential to energize Agricultural development, they are not sufficient especially in most developing economies. We also strongly believe that state-driven agricultural development remains critical if the sector is to be rejuvenated. This is why we call upon our development partners to reconsider supporting increased function of the state in this direction. Extension services in developing countries cannot be left to the private sector alone. We are convinced that Uganda as a country should attain a level of food self-sufficiency which entails increasing support to her farmers and protecting them against unfair competition and price fluctuations created by market distortions. We call upon the FAO and the Committee on Food Security to guide countries on how to benefit from available opportunities for such protection provided for under different arrangements such as the WTO.

Four questions Uganda would like to pose for recapitulation are:

1. How have the policies we have pursued over the last two decades affected the agricultural sector?
2. What lessons can we draw from other parts of the world such as Asia that were able to transform the Agricultural sector?
3. How can the state driven, Market mediated and small farmer based strategy that transformed Asia's agriculture be applied to improve national food security in Africa?
4. What level of state intervention is required in the Agricultural sector, and what intervening conditions and mechanisms should prevail?

Mr. Chairman,

From the 2007-2008 crisis, Uganda learnt that governments often took panicky and rushed policy decisions such as export bans and speculative purchases and hoarding of food commodities with the rational intention of protecting their citizens. The effect of this was widespread food shortage that in turn led to worsening global and domestic food price volatility. These concerns were deliberated during the two policy consultations on food price volatility, and are always considered by the government during decision making. Our approach today is very different. We believe in turning challenges into opportunities for example, during the last food crisis Uganda responded by encouraging farmers to produce more and apply more efficient productive technologies.

The consultations provided policy decision-makers from relevant government ministries (agriculture, planning, trade and finance) with the opportunity to

exchange experiences from the 2008 food price crisis. It also enabled them to appreciate the pros and cons of the various policy measures mapped out in FAO's updated Guide for policy and programmatic actions at country level to address high food prices. Despite all these engagements, Uganda is still not very sure of the best policy options for the short, medium and long term actions to address the challenge of food price volatility. This is mainly due to different policy frameworks in different regional members. Harmonisation is the best way to go.

Distinguished ladies and gentlemen, I believe that as we continue with our dialogue, many participants wonder why we should be concerned with food price volatility. The truth is that price volatility contributes to food insecurity, and therefore is part of a bigger problem that needs broader overview. We should think of high food prices as being double-edged, posing a problem for the vulnerable on the one hand and an opportunity for farmers on the other. The question therefore is thus not one of trying to get prices low per se, but rather affordable prices that are good for both the vulnerable and the farmers sustainably.

Mr. Chairman, in 1996, we as members committed ourselves to reduce by half, the number of hungry people in the world to less than 500 million by 2015. Today while we deliberate on food price volatility, the 2013 State of food insecurity in the World gives the number of people suffering from chronic hunger at 842 million, and points to the fact that we are off target. Although it is a progressive improvement from one billion in 2008 to 870 million in 2011, this number is still unacceptably high.

The same publication estimates that Uganda will not meet her food target of reducing the number of hungry people from 27.1% in 1990-92 to 13.5%, and that instead the number will be higher at 30.1% in 2015. Some recent studies have challenged these figures and showed more positive results. We believe that attributing the slow performance to sluggish growth in agricultural productivity is oversimplification of situation that requires more careful analysis. First, Uganda exports food to some neighboring countries. In addition, some citizens in the northern part of the country who had been confined in internally displaced camps due to a war situation and therefore nonproductive are now resettling on their land and getting active in agriculture and other development activities. We need studies to explore the effect of these two phenomena on Uganda's food security.

Colleagues and Excellencies, what we consider as the main challenge leading to insufficient progress in attainment of food security is that we tend to focus on short-term solutions and quick fixes instead of addressing the root

causes, which demand more time and resources. This makes the smallholder farmers more dependent and less productive. To that end, the Uganda Government has adopted the National Development Plan and Development strategy and investment Plan (DSIP) for the Agricultural Sector as key policy frameworks, in which agriculture and food security are given adequate prominence. As our economy improves, we intend to continue progressively allocating more resources to these areas in line with the 2003 Maputo Declaration where African Heads of State committed themselves to allocate at least 10 % of their national budget to agriculture. We believe that if achieved, that will greatly improve food security within the country and neighboring countries.

Hon. Ministers, Excellencies, distinguished Ladies and Gentle Men,

As I conclude my remarks, let me re-affirm Uganda's continued commitment to the collaboration with FAO in the work on Food Price volatility in particular and matters of agriculture, food security and nutrition in general for the good of our people. Uganda's doors, and principally the Ministry of Agriculture, Animal Industry and Fisheries are wide open to FAO in that regard. *"When you want to run fast you move alone, when you want to reach far you go with others"*

Uganda is committed to the partnership with FAO and other stakeholders in search for solutions to Food Price Volatility. Lastly let me express Uganda's appreciation for FAO's work on the policy and programmatic actions on Food Price volatility at the national level. We look forward to FAO to translate the agreed recommendations into action and for support towards the implementation level. I thank the organizers for the excellent arrangements and look forward to receiving a record of these proceedings for future reference and action.

I thank you for your kind attention.