

## Food Security Information Note - FOSIN

### Food Situation in the Sahel and West Africa: *Managing the lean period with rising food commodity prices*

Note 20 – May 2008

#### 1. An overall favourable, yet precarious, food situation

In general, the food situation in the Sahel and West Africa remained satisfactory in May. In most countries of the region, this relative calm is the result of numerous mitigating actions undertaken by the States: cereal sales at subsidised prices, reduced import tax, etc.

However, the current situation remains precarious with prices continuing to rise. In some Sahel countries such as Burkina Faso, Mali and Niger, studies carried out at the beginning of the month clearly indicate a price-increase trend, more particularly of rice. This trend will most likely continue during the lean period when prices are generally higher.

Throughout the world, even if there is an increase in paddy rice production (2.3%), according to FAO analyses, basic prices are expected to remain high until at least the third quarter. However, this increase in rice production may not lead to a drop in prices in importing West African countries.

**In conclusion:** Even though the food situation is overall satisfactory, it remains precarious in this lean period for various reasons:

- Rainy season agricultural activities generally require both food and seeds that may be difficult to access if mitigating actions are insufficient. Already, and despite mitigating actions, several at-risk zones, facing availability and accessibility constraints, have been identified in some countries. In Burkina Faso, the analysis carried out in April indicated that at least 70 Departments would be affected within 21 provinces (out of a total of 45), are implicated;
- The late or difficult start to the rainy season could also lead to additional tension on food product markets which could exacerbate the problems of

accessibility. At the same time, difficulties of accessibility in some at-risk zones with the coming of the rainy season could result in a rise in prices. This situation could be the impact of additional costs related to increasing transport costs or a supply/demand imbalance in affected zones;

- High prices over a considerable period of time, practically from the 2007-08 harvest up to now, could affect the purchasing power of some vulnerable populations during the critical lean period in rural as well as urban areas. The end of dry season activities, which are additional revenue for poor households, could exacerbate the decrease in purchasing power in some areas.

#### 2. Several measures undertaken to improve the food situation

In response to increasing prices and in addition to mitigating actions, West African States have taken other short- and medium-term measures, notably:

- a) *Improving the overall environment of the domestic producer and the market.* In Nigeria, a decision was made to make funds from the "Development of Natural Resources Account" available for 2008-2011 for the development of staple food crops and the agro-industrial sector. The "Rice Levy Account" also provided 10 billion nairas for the processing of local rice. At the same time, national strategic reserve capacities will be increased from 300 000 tonnes to 600 000 tonnes. In Senegal, tax exemption was agreed (customs duties and other taxes) to assist agricultural investors within the framework of the "GOANA" Initiative (*Grande Offensive Agricole pour la Nourriture et l'Abondance*<sup>1</sup>). In Mali, larger investment is envisaged within the framework of the rice initiative, which should lead to doubling

<sup>1</sup> Great Agricultural Offensive for Food and Abundance



production during the 2008-09 campaign, or 1.618 million tonnes of paddy rice.

- b) *Strengthening access to production factors.* In Mauritania, farm loans to producers will be increased from 3.3 million Euros for the 2007-08 campaign to 10 million Euros in 2008-09 (162 Euros/ha reimbursable over 3 years). In Togo, subsidies were granted for purchasing fertilizer, bringing down the price to 240 CFA Franc/kg as compared to 335 CFA F/kg in real market costs.

These initiatives undertaken by the States are supported at the regional level by inter-governmental organisations (IGOs) through other measures aiming to strengthen the region's domestic production UEMOA decided to make 100 billion CFA F available (via Banque Ouest Africain de Développement<sup>2</sup> - BOAD) for the financing of agricultural projects. The ECOWAS Bank for Investment and Development (EBID) has promised to provide close to 100 million US dollars per year to support agricultural activity in West Africa in response to the current food crisis.

**In conclusion:** measures taken by the States and IGOs are highly appropriate as they aim to improve domestic production and accessibility to food by vulnerable populations in the short-, medium-, and long-term. But there is concern as to whether measures and/or mechanisms are also envisaged in order to deal with a possible price collapse in the coming years. Such a situation of non remunerated prices for producers could also compromise food security and the livelihoods of family farmers, providing the essential crops in the region.

### 3. How to effectively manage the lean period during this year when prices are high?

Since the last quarter of 2007, States have been implementing mitigating actions in response to rising prices of agricultural products. The major challenge is in the capacity of countries to *maintain and strengthen such actions during the lean period, while also creating a favourable environment for winter agricultural production.*

- a) *Strengthen and expedite mitigating actions aiming to improve availability and accessibility.* Measures related to purchasing power and accessibility to food by vulnerable populations, such as, "Cash for Work", "Food for Work", sales at subsidised prices, etc. should be strengthened and moreover accelerated in zones having access difficulties during the rainy season.

- b) *Implement specific programmes related to nutrition* of some vulnerable population groups, notably children under 5 years of age and the aged;

- c) *Improve conditions for a satisfactory agriculture campaign.* Several measures have already been taken by the States and should be strengthened: support to seed supplies and inputs for the most vulnerable populations; strengthened agriculture council and extension services through the implementation of initiatives encouraging the use of agricultural innovation (intensive agriculture council and extension campaigns, agricultural contests, etc).

**In conclusion:** The food situation is likely to rapidly deteriorate if the rainy season has a difficult start. Countries must be prepared to deal with this possibility. Whatever happens during the rainy season agricultural campaign, mitigating actions in the urban and rural areas must be maintained and strengthened. Their rapid implementation prior to arrival of the rainy season is also an important element in the management of the lean period. Measures and concrete actions already undertaken by some countries and IGOs aiming to increase production and agricultural productivity in the medium- and long-term should be supplemented by a "remunerating price" policy and stimulating domestic production,

---

<sup>2</sup> West African Bank for Development



## Information Sources

This FCPN analytical note was produced on the basis of information or analyses provided by various specialised Network (non) member institutions. More information can be obtained from the respective websites.

				
<a href="http://www.westafricaclub.org">www.westafricaclub.org</a>	<a href="http://www.fews.net">www.fews.net</a>	<a href="http://www.cilss.bf">www.cilss.bf</a>	<a href="http://www.fao.org">www.fao.org</a>	<a href="http://www.wfp.org">www.wfp.org</a>
✉: <a href="mailto:sibirjean.zoundi@oecd.org">sibirjean.zoundi@oecd.org</a> ☎: +33 1 45 24 19 82	✉: <a href="mailto:ssow@fews.net">ssow@fews.net</a> ☎: +226 50 37 47 06	✉: <a href="mailto:amadou.konate@cilss.bf">amadou.konate@cilss.bf</a> ☎: +226 50 37 41 25/33	✉: <a href="mailto:henri.iosserand@fao.org">henri.iosserand@fao.org</a> ☎: +39 06 57 05 30 99	✉: <a href="mailto:mamadou.diouf@wfp.org">mamadou.diouf@wfp.org</a> ☎:
✉: <a href="mailto:leonidas.hitimana@oecd.org">leonidas.hitimana@oecd.org</a> ☎: +33 1 45 24 17 98	✉: <a href="mailto:librahim@fews.net">librahim@fews.net</a> ☎: +227 96 97 70 11	✉: <a href="mailto:moussa.cisse@cilss.bf">moussa.cisse@cilss.bf</a> ☎: +226 50 37 41 25/33		
		✉: <a href="mailto:b.sidibe@aghymet.ne">b.sidibe@aghymet.ne</a> ☎: +227 20 31 53 16		

Afrique Verte [www.afriqueverte.org](http://www.afriqueverte.org), Reliefweb: [www.reliefweb.int/](http://www.reliefweb.int/)  
OCHA: [www.humanitarianinfo.org](http://www.humanitarianinfo.org) & <http://ochaonline.un.org/>; SISA/CNSA: [www.sisa.bf](http://www.sisa.bf)

## Better Access to Information on the Food and Nutritional Situation in the Sahel and West Africa

The FCPN has set up a website to encourage access to information on the food and nutritional situation in the region in view of decision-making for action.

For any information questions, and/or analytical document you may need with regard to the food and nutritional situation, please access the site at: [www.food-security.net](http://www.food-security.net).

## Better understanding of the markets, prices and food security prospects in the Sahel and West Africa

To have a better understanding of the market, prices and food security prospects, a joint CILSS/FAO/FEWS NET/SIMA/WFP market evaluation mission was organised in Benin, Niger and Nigeria.

The mission report is available through the following link:

English Version: <ftp://ftp.fao.org/docrep/fao/010/ai464e/ai464e00.pdf>

French Version: <ftp://ftp.fao.org/docrep/fao/010/ai464f/ai464f00.pdf>