NEW CHALLENGES FOR AGRICULTURAL BUSINESS AND INTERNATIONAL REGULATION OF TRADE

CHALLENGES FOR THE AFRICAN FOOD SECURITY SITUATION

PRESENTED BY ADENIJI A. ONI
Agriculture accounts for over 60% of jobs across the African Continent.

Africa is estimated to have 65% of the uncultivated arable land in the World.

Agriculture is one of the largest economic sectors, representing 15% of the continent's total GDP.

Egypt and Nigeria account for one-third of total agricultural output and are among the top 10 countries generating 75%.
Challenges of Food Security in Africa

Inability to meet domestic food requirement

Inability to export at quality levels required for market success

Root Causes

Climate change
Availabilty of arable farmland
Lack of good infrastructure
Lack of productivity of African agriculture exacts a high human and economic cost

Economic slowdowns and downturns.
Africa’s annual food import bill is $35 billion and was more than $47 billion in 2018. Estimated to rise to $110 billion by 2025.

Africa’s yields are only 56% of the international average.

Drivers of Food Insecurity

Dependant on Seasonal Cultivation

Staples Foods dominant
- Rice
- Maize
- Wheat
Circumventing African Food Insecurity

- National and regional institutional capacity required to effectively enable necessary conditions for and regulate agriculture and agribusiness sectors
  - Boarder Closures
  - Economic Policies
  - Restrictions

- Government & Non-Governmental Interventions

- Structured Finances/Capital Raise
  - Innovative financial instruments to both de-risk investments and crowd in private sector financing.
  - Over US$1 Billion challenged at the industry as direct and indirect financing.

- Out-Grower’s Scheme
  - Achieve food security
  - Enhance farmer’s welfare
  - Building multi-generational farm businesses
  - Seed Multiplication
  - Promoting global standards and regulations

- Crop Diversification
  - Essential Oil
  - Lemon Grass
  - Turmeric (with low curcumin)
  - Basil (Tropical and Sweet)

- Boarder Closures
- Economic Policies
- Restrictions
- National and regional institutional capacity required to effectively enable necessary conditions for and regulate agriculture and agribusiness sectors
- Government & Non-Governmental Interventions
- Structured Finances/Capital Raise
- Over US$1 Billion challenged at the industry as direct and indirect financing.
- Out-Grower’s Scheme
- Achieve food security
- Enhance farmer’s welfare
- Building multi-generational farm businesses
- Seed Multiplication
- Promoting global standards and regulations
- Crop Diversification
- Essential Oil
- Lemon Grass
- Turmeric (with low curcumin)
- Basil (Tropical and Sweet)
COVID-19 and African Food Security

FOOD PRICES RISE AS SUPPLY CHAINS LANGUISH

- Food prices spiked initially due to panic buying, transport restrictions, and rising prices of food imports.
- In Zimbabwe, South Sudan, and Sudan, prices continue to increase substantially—driven by overall tight food supplies, and disruptions to trade flows and market function related to COVID-19.
- COVID-19-related transport restrictions make it particularly difficult for suppliers to get such inputs as seeds, fertilizers, crop protection products, equipment, and animal feed to rural farmers in time for planting season, disrupting production of staples such as rice, maize, and vegetables.
- Restrictions are also triggering additional higher post-harvest losses as unsold and rotting food accumulates on farms.

Demand-side shock in Key Markets

Demand-side shock

Loss of jobs and livelihoods and food price volatility could amplify the crisis through increased food insecurity

Demand shocks in key markets may cause a drop in export earnings and increased price volatility for export crops

Production shock

COVID-19 may disrupt upcoming planting seasons and impede an effective response to the East African locust outbreak

Some 650–670 million people in Africa, roughly half of the population, already face food insecurity. Of those, more than 250 million people are considered to be severely food insecure. Agricultural exports have faced severe disruptions.

• Food prices spiked initially due to panic buying, transport restrictions, and rising prices of food imports.
• In Zimbabwe, South Sudan, and Sudan, prices continue to increase substantially—driven by overall tight food supplies, and disruptions to trade flows and market function related to COVID-19.
• COVID-19-related transport restrictions make it particularly difficult for suppliers to get such inputs as seeds, fertilizers, crop protection products, equipment, and animal feed to rural farmers in time for planting season, disrupting production of staples such as rice, maize, and vegetables.
• Restrictions are also triggering additional higher post-harvest losses as unsold and rotting food accumulates on farms.

Demand-side shock

Loss of jobs and livelihoods and food price volatility could amplify the crisis through increased food insecurity

Demand shocks in key markets may cause a drop in export earnings and increased price volatility for export crops

Production shock

COVID-19 may disrupt upcoming planting seasons and impede an effective response to the East African locust outbreak

Some 650–670 million people in Africa, roughly half of the population, already face food insecurity. Of those, more than 250 million people are considered to be severely food insecure. Agricultural exports have faced severe disruptions.
Conclusion

The challenges with the African food security abound.

However, we hope that the deliberate intervention of government and private sector initiatives will circumvent the effect of COVID-19 on Africa and ensure a better future for agriculture in Africa.
Thank you!!!
References

Quality, safety of goods, regulation of GMO's in agricultural sector, international trade in GMO products

The practical aspects of quality, safety of goods, and regulation of GMOs in the agricultural sector in Africa

Presented by: Adeniji Oni
Genetically Modified Organisms (GMO) are organisms whose genetic composition has been scientifically modified in a bid to favour the expression of desired physiological traits or the generation of desired biological products.

In the Agricultural industry, we mostly speak about Genetically Modified Foods which means foods derived from organisms whose genetic materials has been modified in a way that does not occur naturally e.g. through introduction of a gene from a different organism.
Since the introduction of GMO in the Agricultural Industry, 89% of the corn grown in the United States in 2015 was produced from seed varieties developed through GMO.

Soybean acres planted with Herbicide Tolerant (HT) seeds rose from 17% in 1997 to 68% in 2001, before plateauing at 94% in 2014.

HT cotton acreage expanded from approximately 10% in 1997 to 56% in 2001 and reached a high of 95% in 2019.

Currently, approximately 90% of domestic corn acres are produced with HT seeds.
GMO In AFRICA

GMO came into Africa through BT maize, in South Africa in 2003.

The technology has been found to reduce losses of maize through damage by stem borers.

The challenges to its adoption include:
  a. perceptions and attitudes springing from general uncertainties as to the safety of the GM foods
  b. the economic effect of GMO on the African Agricultural industry,
  c. the structure of Agricultural practice – the Africa- family land ownership and low funding

• Nigeria approves its first GMO Crop in 2019
Commercialized GM Crops - 7
Confined field trials and biosafety laws - 5
Confined field trials with guidelines - 
Biosafety laws without confined field trials - 8
No Biosafety laws or Confirmed field trails - 19
GM foods, Quality and Safety

There is still a significant debate regarding the extent of the risks posed by GM crops.

Concerns range from food safety, animal/human health, environmental, agricultural and socioeconomic issues.

Environmental concerns include negative impact(s) on none target organism, gene flow, invasiveness, new pests and diseases and unexpected variability.

Socio economic issues relates to monopoly, profit margins, etc. Other issues include cost of research, biosafety policy, benefit-sharing, the transferability, etc.
In accordance with the precautionary approach contained in Principle 15 of the Rio Declaration on Environment and Development, the objective of this Protocol is to contribute to ensuring an adequate level of protection in the field of the safe transfer, handling and use of living modified organisms resulting from modern biotechnology that may have adverse effects on the conservation and sustainable use of biological diversity, taking also into account risks to human health, and specifically focusing on transboundary movements.”

The underlining regulation for the GMO

173 countries signed the Cartagena Protocol and 92 countries ratified the same with about 15 African countries.
Regulations

Article 11(8)

“Lack of scientific certainty due to insufficient relevant scientific information and knowledge regarding the extent of the potential adverse effects of a living modified organism on the conservation and sustainable use of Biological diversity in the Party of import, taking also into account risks of human health, shall not prevent that Party from taking a decision, as appropriate, with regard to the import of that living modified organism intended for direct use as food or feed, or for processing, in order to avoid or minimize such potential adverse effects.”

Article 12 (1)

“A Party of import may, at any time, in light of new scientific information on potential adverse effects on the conservation and sustainable use of biological diversity taking also into account the risks to human health, review and change the decision regarding an intentional transboundary movement.

In such case, the party shall, within thirty days, inform any notifier that has previously notified movement of the living modified organism referred to in such decision, as well as the Biosafety Clearing-House, and shall set out the reasons for its decision.”