

FOOD AID IN SOUTHERN AFRICA

During 2002 our region was characterized by drought in some areas, floods in other and political instability in Zimbabwe which all negatively affected the production of cereals in Southern Africa. This brought Southern Africa into the focus of the food aid fraternity to assist in relieving the famine. As a region we appreciate the efforts of the United Nations and the rest of the world to assist our region during these difficult times.

Despite all these noble intentions, food aid also carries with it a negative side to especially commercial business. Internationally the debate whether agricultural subsidies or food aid causes the biggest problems to the Developing World, has not being completed as yet.

Having gone through our first year of experiencing food aid in our neighbouring countries, we have no doubt that food aid is helping millions of people to survive during times of distress, but **food aid is also killing commercial business**. We have experienced that a hopelessly over-estimated demand for food aid in Southern Africa pushed maize prices through the R2 000 per ton barriers during last year. At the conclusion of the season, officials of the World Food Programme admitted, unofficially, that they always over-estimated the demand in an effort to attract enough food aid from the donor community. In an effort to allow Africa to feed Africa, the World Food Programme was approached to rather buy processed products from South Africa - which had a surplus at that time - to supply to these countries in despair. Response from the donor community was '*we don't give money, we give product*' - surplus product!

The exports of wheat flour and maize meal to the Southern African Development Community countries halved in 2003. This was mainly due to food aid and the stronger Rand. Consumers will rather take food aid than buying products from South Africa at commercial prices. Recently the commercial mills in both Lesotho and Swaziland complained that they are forced to sell their product outside of their countries in an effort to keep the mills going. Recent reporting indicated that Zambian farmers are battling to get rid of their production as the communities are stocked up with food aid. Market reports indicate that more food aid is on its way to our region. Food aid in these countries at uncontrollable quantities is killing commercial business to such an extent that these companies are struggling to survive during this time. Food aid internationally is on a downward trend, but the percentage supplied to Sub-Saharan Africa is increasing. According to the International Grains Council in 2000, Sub-Saharan Africa received only 17% of the total food aid supplied, but in 2002 it increased to 35%.

Beggars can't be choosers, but the integrity of the donors also comes into question if one analyses the quality of the product that gets donated for food aid. The South Africa milling industry experienced difficulty in processing the yellow maize for Lesotho that was donated by the United States due to very high moisture levels and high screenings. Some of the wheat donated to Zimbabwe contained toxic levels that were up to 15 times higher than the of South African standard. The question comes to mind whether food aid is not used internationally as a strategy to create more markets or to get rid of '*unwanted*' products.

There was also media reports of food aid (maize meal) being sold all along the routes from South Africa to Zimbabwe. These types of practices are killing commercial business.

South Africa would like to thank the food aid fraternity for its involvement and supplies to people in distress, but also urgently call on the international community not to deny us the right to produce and develop commercial business and thereby develop our region to become globally competitive.

J F DE VILLIERS

5 November 2003