SPS Priorities for Sub-Saharan Africa: Opportunities for Expanding Regional Trade and Improving Food-Safety Systems

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Regional Trade Opportunities
MAIZE

• Long-established trade is a springboard for more: Deficits → self-sufficiency → exports
  o Tanzania, Uganda, Zambia and South Africa have export potential

• The increased production needed will:
  o Increase food security
  o Focus greater attention on SPS issues
    ✓ Which at present are not a priority
  o Boost poultry, red meat and dairy production

…but requires a consistently positive business environment.
REGIONAL TRADE OPPORTUNITIES: MAIZE
RUMINANTS

• West Africa: Red-meat market-segmentation potential
  o Live animals and meat (coastal capital cities)
  o Beyond West Africa (Central & Northern Africa & Middle East)

• East Africa: Export potential supplements local demand
  o Live animals (Sudan, Ethiopia, Somalia)
  o Meat cuts & processed meats (Kenya, Ethiopia)
REGIONAL TRADE OPPORTUNITIES: RUMINANTS
GROUNDNUTS IN SOUTHERN AFRICA

• Cross-border trade thrives

• …but formal trade and trade in value-added products (peanut butter & groundnut seeds) are limited.
POULTRY IN WEST AFRICA

- Poultry self-sufficiency possible, but dependent on:
  - Ample low-cost maize (for poultry farms)
  - Veterinary services (for free-range production)

SOY IN SOUTHERN AFRICA

- Regional trade in beans and meal is small but promising, with increasing urbanization and rising demand for meats
- Most beans are consumed by domestic consumers
- No identifiable trade-related SPS issues
SPS Systems and Regional Trade Constraints
SPS SYSTEMS

• Governments setting SPS regulations, individually or collectively.
• SPS agencies have uneven capacity and lack coordination.
• Governments selectively enforce existing regulations.
• Southern & East Africa lack regional regulations, but there is a common regional standard for aflatoxin.
• Food safety crises often trigger systemic reforms.
• The formal private sector drives most SPS advances and should be more involved in the SPS agenda.
MYCOTOXINS

- Impacts: Cancer & stunting and avian mortality and morbidity
- Most consumers are unaware of aflatoxin risks
- Testing capacity is limited.
- Lack of policy and enforcement for contamination
- Few African buyers require proof that levels are low
- Aflatoxin in groundnuts constrains extra-African exports

Figure 14: Incidence and Degree of Severity of Aflatoxin Contamination in Malawian Groundnuts

Source: ICRISAT (2010). Scale measures parts per billion.
MAIZE LETHAL NECROSIS (MLN)

- MLN can kill 50-90% of the affected maize crop
- Countries are at different levels of preparedness for MLN
- Organizing national SPS systems to respond to MLN in advance could greatly limit damage to national economies
WEST AFRICA’S MAIZE-SEED CONSTRAINT

• Low region-wide maize productivity:
  o Drives up poultry prices
  o Decreases food security & diminishes SPS concerns

• The maize seed market is segmented & protected
  o Governments unable to get national breeders’ seed to commercial multipliers
  o Lack of regionally harmonized certification limiting regional trade of improved seed
  o Bias against improved seed from multinationals
LIVESTOCK SPS CONSTRAINTS

• Ruminant & poultry value-chains are almost totally informal
  o Traders bridle at measures seen as more costly or longer, unless there is a clearly larger benefit.

• Animal health is poor:
  o Low vaccination rates mean poor herd/flock health
  o Vet medicines can be adulterated or expensive
  o Remote & insecure areas have thin veterinary cover
  o Laboratories are ill-equipped and poorly linked to front-line services

• Poor abattoir hygiene without reinvestment:
  o Public-sector management & traditional butchers
LIVESTOCK & POULTRY SPS CONSTRAINTS

- Public-sector failings in trade regulation
  - Costs/delays of corruption
  - Disregard for sanitary regulations
  - Poor infrastructure/little equipment

- Upmarket sales to African and extra-African supermarkets are limited because buyers cannot assess health risks

  - Livestock Service tests and destroys diseased flocks
  - Informal traders continue to import some birds across porous borders despite bans
Investment Opportunities
SPS SYSTEMS INVESTMENTS

• Encourage regional public-private fora to upgrade SPS compliance
• Detailed national SPS action plans coordinating national plans with regional priorities
• Blending of government monitoring & regulatory SPS activities with private-sector supply of paid-for solutions in expanding markets
• Surveillance & risk modeling to generate early warning indicators for mycotoxins and MLN
• Promotion of awareness to drive market incentives to address specific SPS issues
• Improved risk monitoring of livestock disease to reduce import bans imposed by extra-African countries
MYCOTOXIN INVESTMENTS

• Support aflatoxin risk-awareness campaigns
• Develop climatic models to predict high-vulnerability aflatoxin areas
• Encourage mitigation methods (Aflasafe, hermetic storage, proper drying, relevant clays in animal feed, dehulling)
• Test (using private-sector labs, where possible)
• Explore alternative uses of contaminated maize, and the systems needed to handle it
• Inform the public about aflatoxin risk to build support and identify “champions”
• Increase frequency of end-product testing (maize meal, peanut butter)
MAIZE LETHAL NECROSIS

• Assist national SPS committees to organize to combat MLN:
  o A study tour followed by development and implementation of national and regional strategies
  o Surveillance, field-testing capability, outreach to farmers
  o Development of a national MLN plan

• Demonstrate to the private sector why it needs to help co-finance greater MLN testing
WEST AFRICA: MAIZE INVESTMENTS

- Develop private commercial seed markets
  - Nationally: conditional licensing of multiplication and distribution rights of public-domain seed to firms
  - Regionally: harmonizing national seed policies
LIVESTOCK INVESTMENTS

• Re-establish para-vet system, with supervision of licensed veterinarians, public &/or private

• Facilitate private abattoirs targeting high-end markets

• Shorten the regional red-meat VC between producer & abattoir
TOP TAKE-AWAYS

1. Private sector
   The formal private sector demands strong SPS controls to safeguard its brand and thus its profits. Include it in setting priorities.

2. Detailed national SPS action plans
   Coordination with regional priorities; full use of private-sector services; awareness raising; risk modelling and monitoring.

3. Mycotoxins
   Risk-awareness campaigns; climatic modelling; mitigation methods; testing for presence in soil, crops, poultry; consumer ready foods, uses of contaminated crops.

4. Maize lethal necrosis
   Development of a national MLN plan; awareness campaigns; identifying 'champions'; showing the private sector its self-interest in co-financing testing.

5. Maize in West Africa
   Development of private commercial maize-seed markets through licensing of multiplication and distribution rights of public-domain seed & regional harmonization of national seed policies.

6. West African livestock
   Better animal health and improved abattoir hygiene; firms targeting up-market clientele; traceability systems; irrigated fodder crops; integrated feed markets; exotic-indigenous cross-breeds.

7. Integrate regional commitments into national policymaking
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