



## ESSAY

# FOOD AID

## *The Implications for Food Security in Africa*

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### **Introduction**

The African continent is the only region in the world that has not been able to feed itself since the mid-1970s and is unlikely to do so in the future unless radical policy changes are made to current practice. Food shortages occurring in north, west, central and southern Africa have received relief from food aid, sourced by UN agencies, generally<sup>1</sup> from the developed North. Yet, this alternative is not a suitable panacea for addressing the fundamental problem of food insecurity in future. The solution to Africa's food scarcity and food security lies elsewhere rather than from the food handouts sourced from the agricultural surpluses generated in the United States (US), Canada, the European Union (EU) or Australia. As FM Lappa and J Collins pointed out in relation to the US food aid policy, "at no time was its primary aim to feed the hungry".<sup>2</sup> The US, however, has traditionally been the largest food aid donor in the world since the 1950s. This assertion is also true of the EU and other players who have emerged as important international food aid contributors since 1978.

### **Definitions**

The current dynamics surrounding 'food aid' have been defined as 'disposing of surpluses'

from agricultural overproduction. Meanwhile, 'food security' is now accepted as referring to "all people, at all times able to have physical and economic access to sufficient, nutritious food for active and healthy lives".<sup>3</sup> Yet another imperative driving the search for food security is the impact of food shortages that tend to dislocate a state's political, economic and social stability resulting in riots, wasted productive efforts and development when citizens are reduced to foraging for survival.

This paper argues that African states, operating only at the national and regional level, should embark upon aggressive policies to ensure food security in the shortest possible time and to reverse the current debilitating trend of relying on food aid from the developed North. Strategies for food security include: disengaging from being recipients of food aid; aggressively supporting national food producers, that is, farmers and related agro-businesses through education, extension services, improved seed selection and credit; providing infrastructure, beginning with irrigation, transport as well as distribution networks and granaries; generously funding agro-related research and development; expanding fertilizer and pesticides manufacturing; and ensuring stable markets. Combined, this will provide the route to sustainable food security.

## Africa's current plight

In more concrete terms, Africa's food production has not kept pace with population growth now hovering at just over 800 million, split 60:40 between rural and urban areas. Estimates of African food production growth reveal that this has stagnated at 1%, versus its average population growth of 2.3%. Clearly, there is a huge gap between Africa's food production and its population growth, translating into shortages for the extra millions. Furthermore, the majority of African economies are extractive, primary producers, delivering minerals, forestry products, fish, beef, poultry and agricultural produce to the developed world markets at the expense of sustainable food production and food security. Only a miniscule 0.05% of African states are industrialised. Finally, African economies are characterised by changes in cropping patterns and preferences that have displaced traditional staple production with exotic and horticultural commodities required by markets in Europe and elsewhere.

In the densely populated rural areas, there is declining use of fertilizers on soils whose fertility is almost exhausted and afflicted with increasing desertification, estimated at about 40% so far of the arable land available in the 1970s. According to the UN Food Programme, between 1994 and 1995, Africa used an average of 10 kilograms per hectare (kg/ha) compared to South Asia that employed 77 kg/ha and Latin America deploying 65 kg/ha. Today, however, Africa's usage of fertilizers and pesticides has dramatically halved to 5 kg/ha.<sup>4</sup> The same grim statistics can be cited for reduced investment in agriculture by governments as well as lack of reliance on pesticides by individual farmers. Finally, the continent's policy makers appear oblivious to the advantages of irrigation, with only a static 4.5% of land under irrigation compared to over 38.4% and growing in Asia. The foregoing statistics reflect a region that is lacking a serious policy thrust to eradicate food shortages and return to food security.

The more recent assessment contained in Africa Report 2003 by the UN Food and Agricultural Organisation (FAO) shows that

23 of the 54 African states face acute food shortages. In West Africa, a bumper crop is forecast in the Sahel region but deficits remain in Cape Verde, Guinea Bissau and Mauritania. Conflict and war have resulted in food scarcities in Côte d'Ivoire, the Democratic Republic of Congo (DRC), Burundi, Angola and Zimbabwe. Much more significantly, however, the FAO offers important advice on the way forward, arguing for "aid agencies and Africa to rely on triangular transactions based on local purchases from regions with plenty to those without but financed by third parties," probably from the developed North instead of food aid.<sup>5</sup>

## The genesis of food surpluses and food aid

The genesis of food aid began during the 1940s when US farmers suddenly found themselves with an increased harvest of over 50% against declining domestic consumption, estimated at over 30% at the time.

Reasons for this development included the favourable impact of the increased use of fertilizers, pesticides, seed selection, price support that had led to market stability as well as confidence of the farmers and the related demands for agricultural commodities from Europe during the Second World War. At the time, Europe's agricultural fields had become battlefields. Combined, these aspects soon resulted in huge surpluses of cotton, wheat, beef, dairy and tobacco amongst many other products in the US. Much of this could not be absorbed locally. This sudden lack of markets affected not only the farmers but agro-business, banking, and commercial and shipping entrepreneurs who had entered the food production and distribution chain. The thin line between the fields and the agro-commercial interests that is so crucial to food security had also been bridged. Finally, storage of the surpluses was also proving costly, averaging US\$1 million a day. The solution to the agricultural over-supply came from a politically conscious farmers' organisation that engaged government in order to protect their interests.

A decision was taken at the 1952 annual American Farmers' Bureau Convention to

approach government for assistance towards maintaining market stability and sustaining the profitability of farmers. The leaders approached government partly with a solution, suggesting the consolidation and expansion of the foreign market that had been created by the war demands, as a secondary market. Put differently, the unloading of food surpluses while protecting the interests of farmers now entered the realms of US foreign policy.

Legislation in the form of Public Law No. 480 (PL 480) was passed, creating a food aid facility outside the US. Its main focus was not to tamper with domestic production but to ensure that markets for the surpluses were established outside the US. In the initial stages, the US food aid policy and secondary market strategies operated in Western Europe, as well as in the occupied territories and 'colonies' such as the Philippines, South Korea and Taiwan.

In practice, between 1952 and 1957, an average of 28% of annual production was off-loaded on the secondary market. In effect, this development partly corrected the domestic withdrawal that we had seen of 30%.

A further consideration at that time was to expand wheat markets by championing changes in foreign staples such as rice. Propaganda from the South Korean government also began to extol the virtues of eating wheat with slogans such as 'eating wheat is patriotic', in a move that was to change the staple preferences from rice noodles, most of which was now being exported, to wheat noodles. As shall be shown in the section dealing with the impact of the food aid policy, this soon changed the staple food patterns of large parts of South Asia. In 1959, external sales averaging US\$5 billion were off-loaded; however, the increased production that was not being tackled continued to choke both the domestic and secondary foreign markets. Demand was running far less than the unchecked farm production.

A second feature was added to the PL 480 food aid law; namely, to further expand the foreign secondary market through allowing countries concerned to buy the grain and cereals using their own currencies. In order to

qualify for this, a provision was added requiring countries to commit themselves in the future to purchase from the United States in US dollars. 'Local currencies' raised during the initial concessionary phase would be passed to US corporations – mostly those already linked with agro-commercial businesses – at low interest rates, for them to invest in the same countries. Under the provisions of PL 480, corporate subsidiaries of US firms were soon established in 31 states. The range of some of the notable companies set up included: India Wyeth Laboratories; Union Carbide; Otis Elevators; Sylvania Rockwell International; Good Year; CPL International; Sunshine Farms; First National City Bank; Bank of America; and American Express. Through this process the interests of farmers, banking, research, seed, fertilizer, pesticides and commercial agriculture had been cemented. Part of the manifestation of the programme was the opening of 7,000 bakeries established in South Korea at that time.

Yet another feature of the use of food aid emerged early in the process – this was use of the facility as a military weapon.<sup>6</sup> Through the Marshall Aid Plan to Europe, 25% of US contributions were in the form of food aid. Furthermore, huge food quantities were directed towards Italy and France during the mid-1950s, "in order to keep the impoverished working classes from voting against capitalism". Marshall himself asserted at the time that, "food is a vital factor in our foreign policy".<sup>7</sup> In pursuance of this policy, quantities of food were directed to states bordering communist countries such as China, North Vietnam and North Korea. In this regard, South Vietnam, Cambodia, South Korea and Taiwan received huge deliveries of food aid. Meanwhile, little was directed towards India, at that time in the grip of a devastating famine that killed over four million people. Again during 1946 – 47 Indian farmers experienced great distress but "did not qualify as they were not a priority of [the] anti-communist front," according to Secretary of State Dean Acheson.<sup>8</sup>

Finally, the US also began to use locally generated finances through the food aid programme to finance some of the military

requirements in theatre. In 1975, for example, at least US\$6 billion of part of the sums raised in South Korea and Vietnam was used to sustain US troops in the same area of operations.

### **The impact of PL 480**

By 1973, 50% of US food aid was going to two states: South Vietnam and Cambodia. The impact of the cheap food import policy in the colonies between 1960 and 1961 turned them from net food exporters to food dependencies. In the case of South Korea, a country that was 92% self-sufficient suddenly had its farmers struggling to barely cover costs of production. Many were soon forced to sell their land, becoming landless and turning to the towns for employment. Between 1963 and 1976, increasing numbers of the rural population abandoned farming in dramatic numbers, rising from a steady 33% to just over 50%. Many of these sought refuge in the cities, foraging for survival while swelling the ranks of the jobless labourers, as confirmed by the Korean Catholic Association at the time. As a result, US food aid had turned the once prosperous farmers into low-paid labourers, available for use on export-oriented production conducted by multinational companies that to this day still dominate the Korean economy.

In Colombia, between 1955 and 1971, the provisions of PL 480 led to the importation of a million tones of wheat that could have been produced locally, displacing local farmers from the market. The imports (dumping) to Colombia had been sold at 50% below market price compared to local deliveries. The following season, wheat production in Colombia declined by 69% while imports conversely increased by 800%. This now accounted for 90% of domestic consumption. Once the import substitution trend was established, this made it virtually impossible for the local farmer to compete and cover his costs.

The final fine-tuning of the formidable PL 480 occurred when an initiative was launched during the mid 1970s, creating import demand corporations based overseas. This requirement had emerged as a result of a need to further influence the control of the now demand driven secondary markets.

In 1969, a study on PL 480 concluded that for every pound of important staple cereals or grain imported in any country, local production would decline over the next two years by half a pound as a consequence of the reduced returns to the peasant farmer. Where the imports continued, then increasingly the small-scale farmers would find it impossible to continue growing crops and realising costs of production resulting in the same area becoming a 'foreign secondary market'.

### **The Indian experience: Pulling yourself up by the bootstraps**

In retrospect, the impact of US PL 480 was not all negative. In the case of the spurned Indian market during the harsh period of the mid-1940s, this led to that country establishing a viable food security environment that has survived to this day. In other words, when India was seen as a non-threatening country to communism and not deserving of food aid, this conviction threw a wall around the sub-continent in which little penetration would occur from external surpluses. The millions of casualties from famine, whose plight was ignored by the US, convinced the political leadership that salvation lay in putting together long-term food security policies for their own people.

Free from external interference, India began embarking on what has been described as a 'green revolution' based on a five-pillar programme. The first pillar was in reaction to US marginalisation of India in which the latter resolved not to put out the begging bowl for food aid. Second, the country provided deliberate support to its farmers in the form of education, technical support, improved seed varieties and a stable market for farm produce. Third, the state deliberately precipitated the 'irrigation revolution' together with an expanded fertilizer and pesticide manufacturing industry. In other words, a deliberate attempt was made to link peasant production with commercial agricultural business. Fourth, the irrigated farmlands were linked to national food markets by the provision of a huge infrastructure and distribution network. Finally, the state facilitated the emergence of a stable food market and has been able to sustain the same since. There

was an almost immediate positive impact from these policies.

Between 1963 and 1974, India increased its hectareage under irrigation from 400,000 ha to 4 million ha. Given this development, wheat production rose from 10 million to 17 million tonnes. Today, India produces 60 million tonnes of grain; six times more than when the policies were launched 40 years ago. Aided by a vast public distribution network, the country has been able to distribute and meet the minimum requirements of food security reserves.<sup>9</sup> By the beginning of the 1980s, India had successfully turned around its fortunes on food insecurity, and was able to feed itself despite the rise in its human population to over a billion. China, Vietnam and Bangladesh have made similar transformations, however, all significantly, not through the food aid route that characterises the begging bowl syndrome on the African continent.

### **The EEC and food aid**

Europe after the Second World War became an important destination of US food aid and was therefore acutely aware of the implications of America's food and foreign policy thrust. Extricating itself from being a 'secondary foreign market' for US agricultural surpluses came from several other pressures apart from the above policy awareness.

The second was the almost unconscious revival of modern European agriculture now freed from war and enjoying US precipitated economic recovery. In this, European farmers already had the education, technical know-how and skills to employ seed selection, use of fertilizers, pesticides and mechanisation to increase yields. The links with credit, marketing strategies and commercial enterprises including shipping agents was also an established feature, plying the routes between the colonies and the metropolises that had been disrupted by German U-boats and air power during the war. Europe also had an established infrastructure such as roads, harbours and ports as well as granaries for the agricultural produce. Given this background, agricultural surpluses were not long to come. This led to the third motivation, for purposes of this discussion, for disengaging from

US second market strictures. This was agitation for wage incentives to close the differences between town and country by the farmers. This demonstrated how the European farmers were already politically astute and operated as an organised entity in order to influence state policy in their favour. Finally, surpluses produced were 'naturally' directed towards former colonial territories. In this case, Europe had a much broader range of colonial links compared to the US, significantly, without tackling the root cause(s) of the surpluses. For the former imperial Europe, a 'second, foreign demand driven market' already existed.

In 1967, the European Economic Community (EEC) launched its own food security initiative, otherwise known as the Common Agricultural Policy (CAP). CAP immediately threw an invisible wall around the EEC region in support of its farmers. Soon, CAP internal commodity prices rose to between two to three times higher than the world market rates, directly addressing the wage differential between town and country. Internally, 70% of the CAP budget was spent on price support and topping up incomes for the rural farmers. CAP now provided income guarantees to small-scale producers resulting in market stability. The result was not only increased confidence and output by farmers but, in some cases, embarrassing overproduction. Two cases will be cited. The first was that livestock production soon benefited from limited beef imports from outside, including from the US. The US, Asia and Africa were each competing to supply livestock feed in the form of groundnuts, soya and cassava to Europe. When this was discontinued, each cow was found to be costing a prohibitively expensive £180 to feed every year compared to the much cheaper imports. At the time, France was importing groundnuts from Senegal; an export crop that constituted only 12% of agricultural capacity between 1971 and 1974. Owing to France's special arrangements with her Francophone region and Senegal, the latter was soon producing groundnuts for export at the expense of local staples and food security. Consequently, a food deficit of 300,000 tonnes of human consumption cereals soon faced the country that had meanwhile become a leading exporter of groundnuts to feed the dairy

industry in the EU. Extrapolating from the French example, the CAP region was now redirecting and absorbing the market for cheap calories from the world's poor and in the process permanently impoverishing the latter. The second case is that of overproduction in the dairy sector. Here, milk production in the CAP area rose to a ratio of 1:6 pints consumed versus surplus, respectively. Faced with lakes of milk, one option – without addressing the overproduction – was either to feed the surplus to livestock (an option that later displaced the imported grain and soya from the US) or to turn this into butter and skimmed milk powder (SMP) for export. On hand were 150,000 tonnes of SMP and 45,000 tones of butter to be disposed elsewhere in order to maintain market equilibrium.

In 1978, Europe successfully displaced the US as the largest food aid donor in the world. At the time, the EU provided 30% of global demand for cereals, 50% of the demand for SMP and 95% of the demand for butter. These statistics continued to increase each year given the traditional imperial and colonial trading links that exist between Africa and Europe.

The CAP-EEC/EU experience demonstrates how a region that was acutely aware of US food aid implications, decided to extricate itself and launch a successful food aid programme of its own that within 13 years had provided food security and had dumped surpluses on the international markets. The case study also reveals inherent advantages of an educated farming and agro-business class that is politically conscious enough to factor its interests as part of national foreign and domestic policy. Other advantages included traditional linkages to a 'secondary market' and the existence of extensive infrastructure such as granaries, shipping, ports, airfields and roads and a banking, as well as a commercial system that already had confidence in the farming community. Important lessons for Africa exist from the CAP-EEC/EU experience.

### **UN agencies and food security in Africa**

In 1943, 43 nations created the UN Relief and Rehabilitation Administration (UNRRA) designed to provide food aid to victims of the

war. However, the UNRRA was dominated by the US from the start and this was to manifest itself in its operations. Owing to US influence, food aid was directed to support Fascists in Greece and Chiang-ka-Shek in China. At the time India, visited by a severe famine, received nothing. After the war, as we have seen, food aid was directed to France and Italy, South Korea and Cambodia, based on anti-communist and political purposes.

The bottom line when looking at UN agencies and the US on the food aid issue is to recognise that these operate in clearly defined parameters. Although aware of the implications of the US and EU food aid policies, they are not in a position to fundamentally challenge the core thrust of these policies that clearly operate to the detriment of poor nations.

In all the case studies identified with US (PL 480) and EEC (CAP) food aid policies, the UN agencies have so far been employed simply as conduits through which surpluses could be off-loaded. Significantly, this role has not been extended to making critical inquiries on the broader policy and food security implications, even when participants are clear as to its ultimate negative effects. Confronting the strategic thrust of food aid policies in the US and EU is not part of the mandate of the UN food agencies. To their credit, however, as we have shown in the introduction, the UN agencies such as the FAO are quite clear on the way forward for Africa's food security. In their view, "this must be from triangular arrangements with funds coming from outside to purchase surpluses on the African continent to feed impoverished regions of south-eastern Ethiopia, Côte d'Ivoire, Somalia, Zimbabwe, Cape Verde, Guinea Bissau, Mauritania, the DRC and Burundi". Significantly, they do not advocate a solution that includes holding out begging bowls for food aid from the US, EU, Canada or Australia.<sup>10</sup>

### **Conclusions**

The principles cited in the case of the US, India and the EU provide significant lessons for Africa. Africa's pride in being a net food exporter during the 1970s rested on colonial encouraged production in the rural areas feeding the emerg-

ing towns, and on reliance on traditional food-stuffs growing naturally in the various ecological regions of the continent. Some of these basic attributes appear to have been forgotten with the advent of majority rule. For effective policies, it is recommended that this be done at the national and regional levels only. This is because management of policies at these levels is much more practical considering the diverse terrain of the continent. Once policies have achieved a reasonable impact, and only then, can these be extrapolated on to the continental level.

Working through some of the principles drawn from the case studies above, African states cannot attempt to create foreign or secondary markets. Most African states themselves have been colonies. However, while the insular Indian route offers more pragmatic lessons, the reverse in this case must be true: namely, how can states extricate themselves from being part of the foreign and secondary markets of the US, EU, Canada or Australia? The continent did not have colonies and so the Indian route offers more pragmatic lessons. Furthermore, it seems that research to identify suitable seeds for the different crops and regions has been exhausted and what remains is robust and sustained political will to implement an agricultural revolution. In other words, research and development is not a priority although it should not be ignored once the programme has commenced. At the moment, Africa's agricultural research and development receives 40% funding from donors and appears as a low priority to policy makers. Next, African countries appear to have ignored the interventions that irrigation brings to seasonal rains and constant droughts. A concerted effort to expand areas under controlled moisture is key to overcoming the unfavourable weather patterns.<sup>11</sup> Lack of investment in agriculture has fallen to ridiculously low levels compared with other global regions; Africa's investment levels stand at a meagre and stagnant 5% compared to 10% and rising in Asia.<sup>12</sup> African states therefore need to prioritise the allocation of resources towards the question of food security. Next, political elites must reassess the place of the farmer and agro-business enterprises in the quest for sustainable food policy. Significantly:

French, American and Japanese politicians lavishly cater to the needs of their farmers – who represent less than 2% of their populations – yet in Africa, agriculture is consistently neglected.<sup>13</sup>

Now is the time to deliberately encourage, motivate and assist the African farmer for, in him/her lies the future vanguard for the agricultural revolution that is needed to take Africa out of its grinding and debilitating poverty.

## Notes

1. China and other countries have provided food relief to some African countries in the past.
2. FM Lappa & J Collins, The value of food aid, in *Food first: The myth of scarcity*, UK Institute of Food & Development Policy, 1998, p 282.
3. World Bank summary of 1986, later adopted at the World Food Summit of 1996 and has since become the guiding principles of the UN Food and Agricultural Organisation (FAO), see Chapter 2, Present food security situation, section II, key background information, <[www.iscu.org/library/ProcRep/FoodSci/sec2/chap2.html](http://www.iscu.org/library/ProcRep/FoodSci/sec2/chap2.html)> (18 December 2003).
4. MS Swaminathan, Less land, higher yields: Drawing lessons from India, in *eAfrica 1, Journal of Governance and Innovation*, South African Institute of International Affairs (SAIIA), December 2003, pp 12–13; R Herbert, Reviving African agriculture, in *eAfrica 1*, SAIIA, December 2003, p 3.
5. UN Wire, '23 African countries face food shortages', FAO says, 9 December 2003.
6. As argued elsewhere in this paper, a feature that was already part of the foreign policy of the US government before being incorporated in the PL 480 rubric.
7. Lappa and Collins, op cit, p 291.
8. Dean Acheson, US Secretary of State, 1944 – 49. Given the Indian dates, it is clear that the food aid wielded as a weapon preceded the 1952 American Farmers' Convention, as it was already a dimension of the international struggle against communism. What this therefore means is that the farmers' suggestions when they were made resonated with the aggressive policy already in place within the US government.
9. Swaminathan, op cit, p 12.
10. UN Wire, Africa Report 2003, 9 December 2003, <[www.unwire.org/20031209/449\\_11135asp](http://www.unwire.org/20031209/449_11135asp)> (19 December 2003).
11. Herbert, op cit, p 3.
12. Ibid, p 4.
13. Ibid, p 5.