

SUB-MODULE II: THE AGRARIAN QUESTIONS FACING AFRICA

1.0 Neoliberal Agricultural Policy Framework

1.1 Agricultural output marketing policies vs protection/subsidies

1.1.1 Agricultural commodity markets de-regulation

- Marketing boards (minimalism)- monopolies; storage/distribution services
- Price (de)regulation-stabilisation; pan-territorial;

1.2 Agricultural trade liberalisation

- Quantitative restrictions removed
- Tarrifs reduced

1.3 Agricultural production support policies

- Direct and indirect production subsidies reduced (inputs; exchange rate and forex allocations)
- Research and Extension services privatised or cut

1.4 Agricultural development finance

- Credit/ Agricultural banks (interest rates; targeted supply)
- Water and irrigation development
- ?

1.5 Land tenure reform policies

- Land tenure individualisation and markets
- Decentralised land administration
- Special investor land grants and leases

1.6 Social welfare policies vs demand compression

- Loss of social transfers (free education, etc)
- Rural development infrastructures

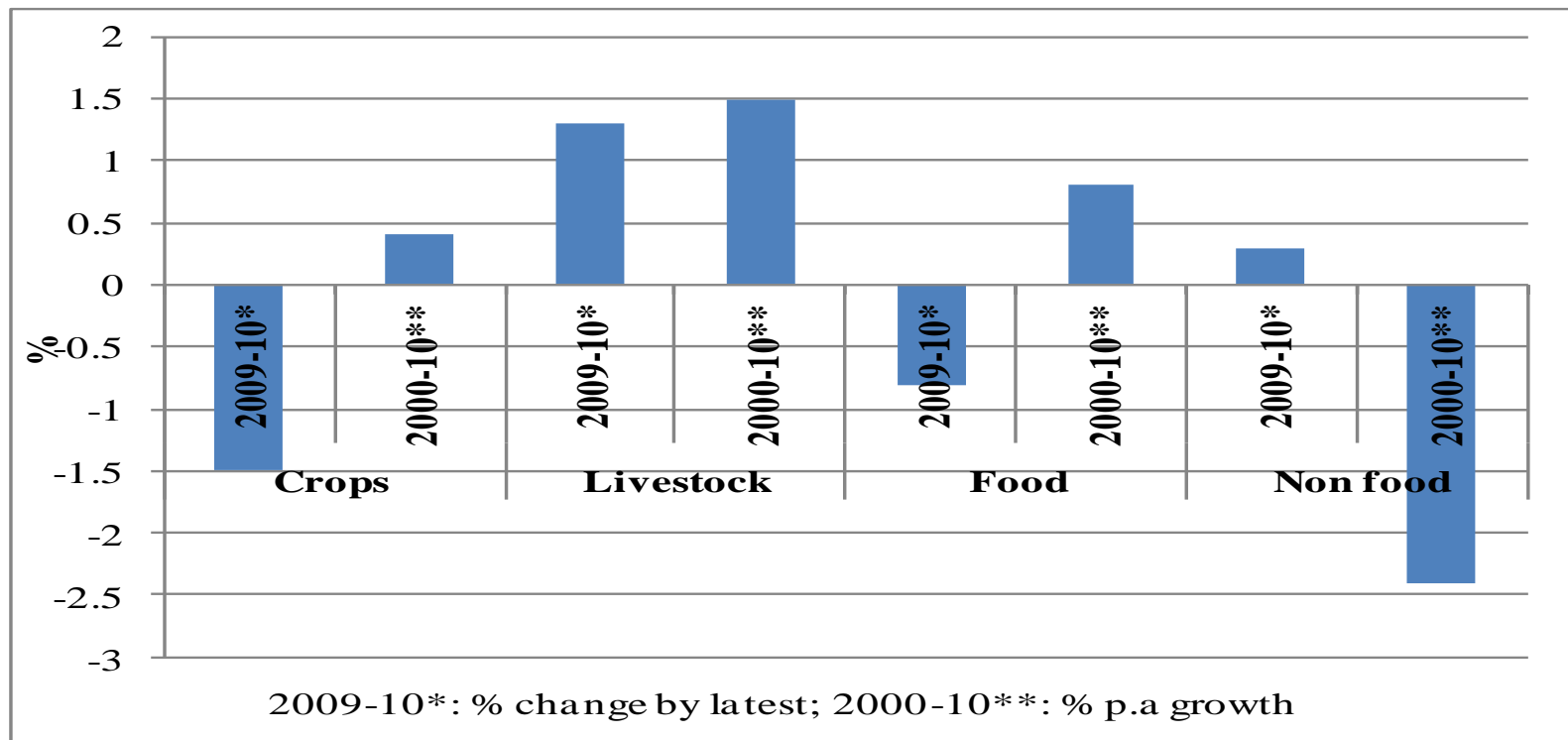
2.0 Performance of African Agriculture

2.1 ??

2.2 Productivity Question: Agricultural Production Trends

2.2.1 Agriculture in aggregate production (crops, livestock, food, other)

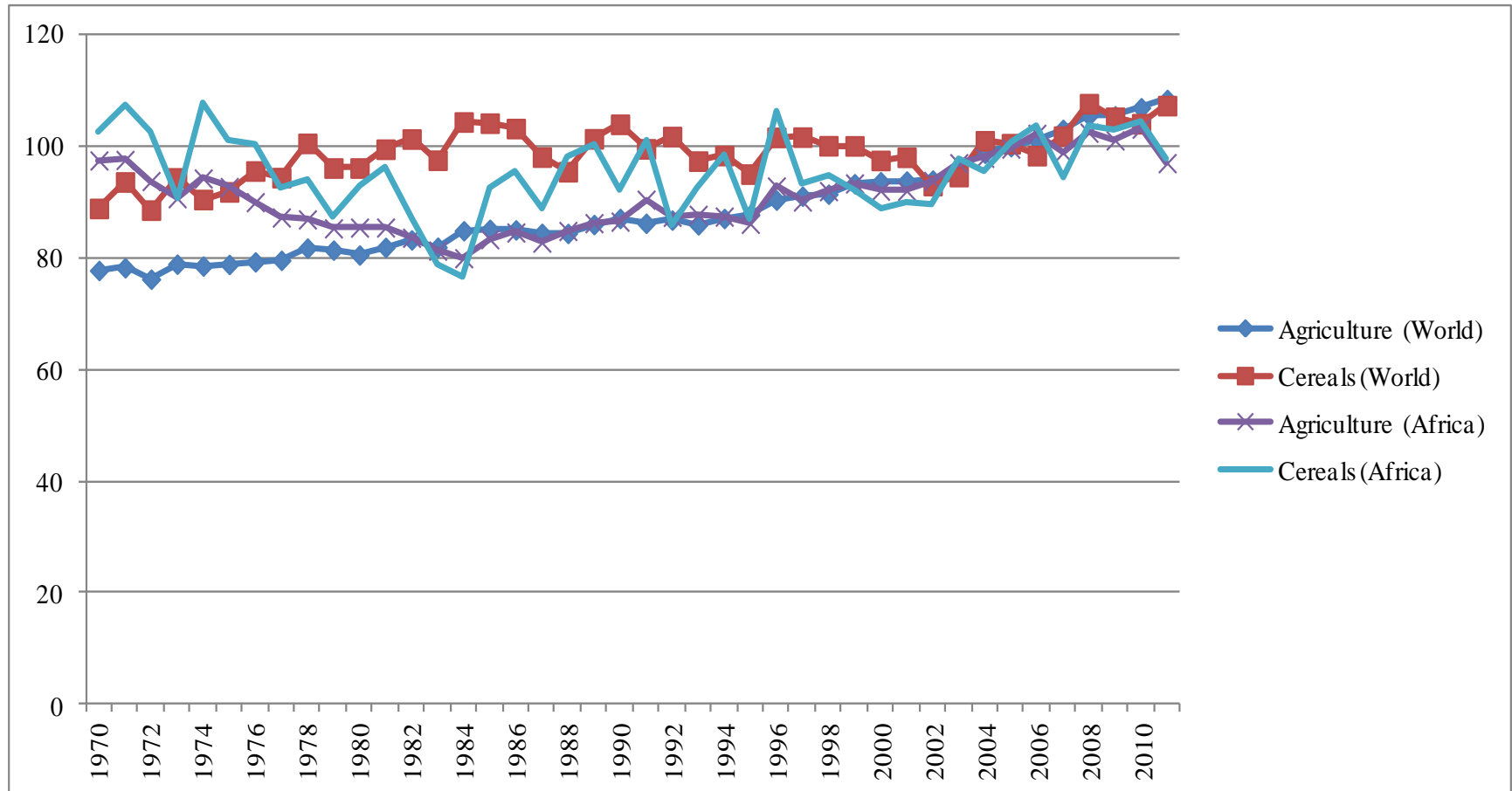
Fig. 2.1 Agriculture in aggregate production: Gross per capita index (2004-06= 100)



Source: FAO (2013)

2.2.2 Net agricultural production per capita index

Fig 2.2.2 Net Agricultural production per capita Index (2004-2006 = 100):1970-2011

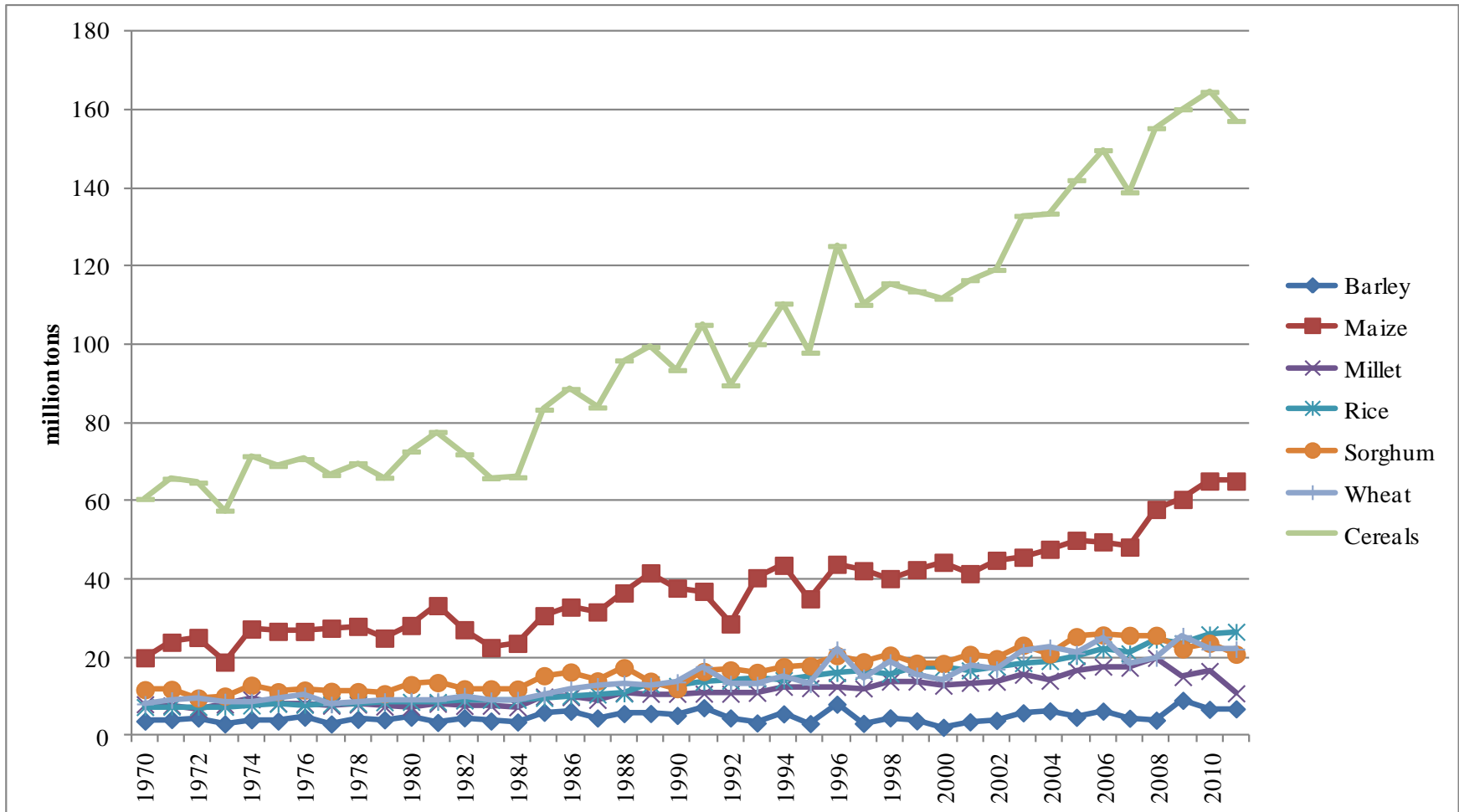


Source: FAOSTAT (2013)

2.2.3 Cereal production trends

2.2.3 (a) Cereal output trends

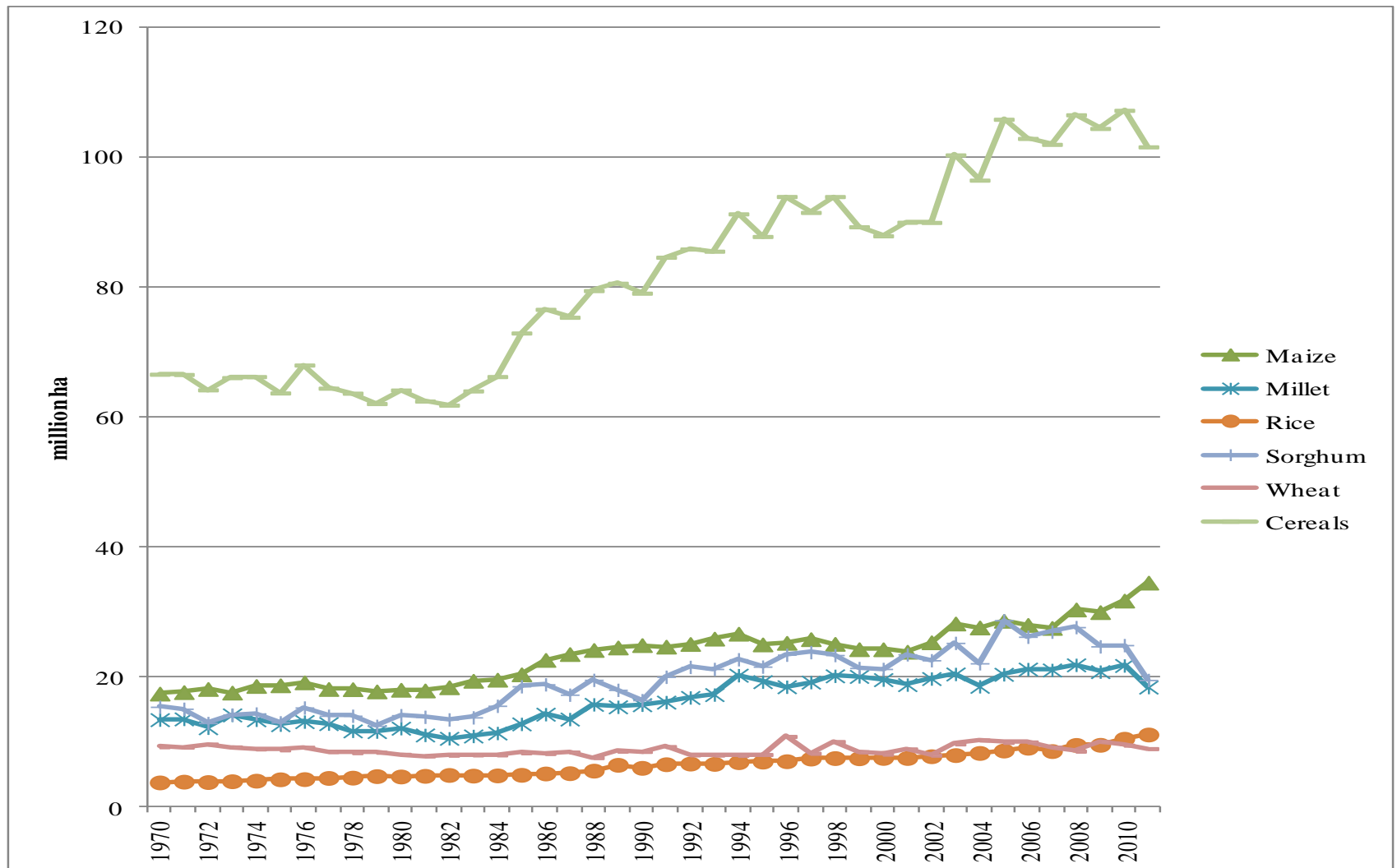
Fig 2.2.3(a) Cereal production (tonnes) in Africa (1970-2011)



Source: FAOSTAT (2010; 2013)

2.2.3 (b) Cereal cropped area

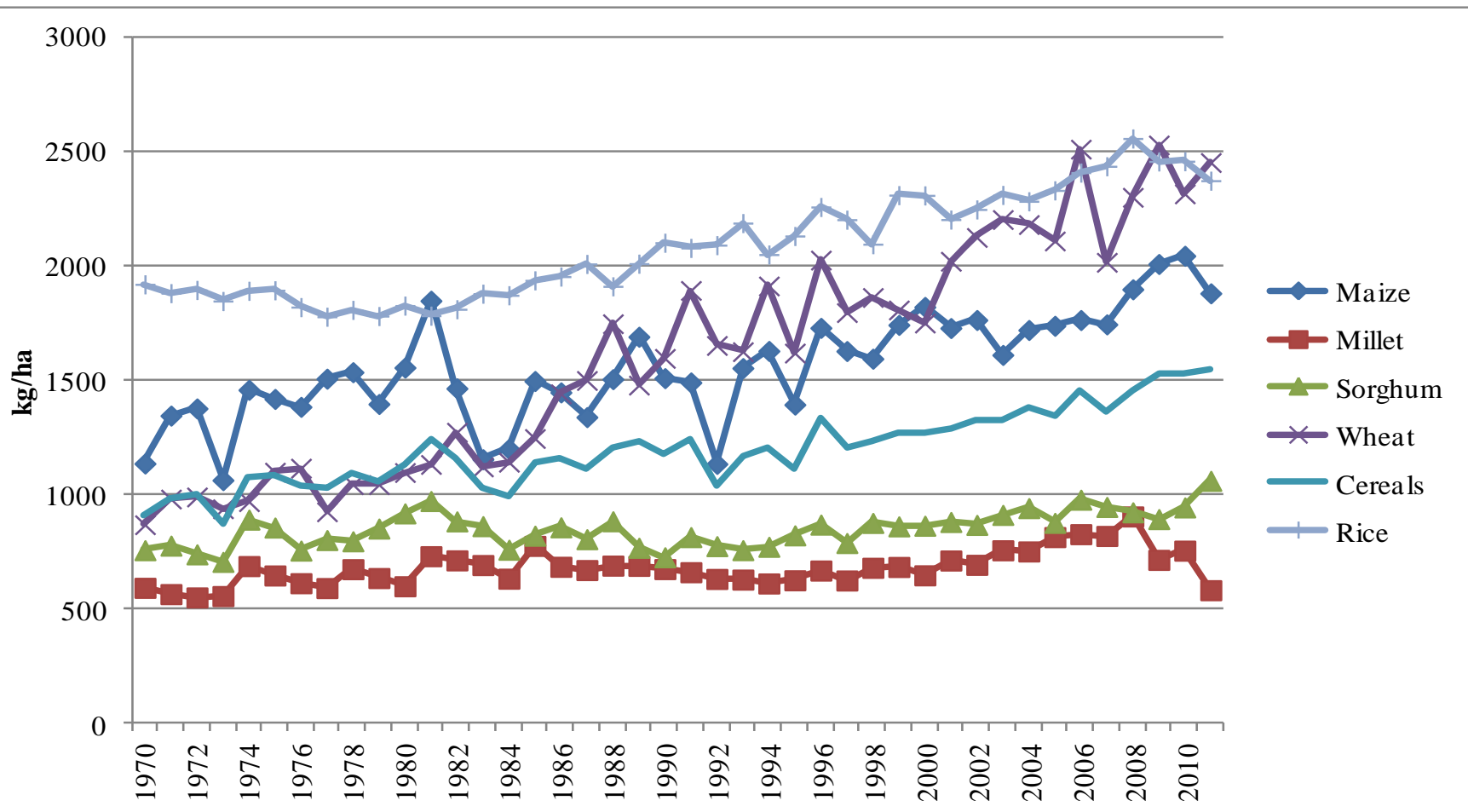
Fig 2.2.3 (b) Cereal cropped area (ha) in Africa (1970-2011)



Source: FAOSTAT (2013)

2.2.3(c) Cereal yields (tons/ha)

Fig. 2.2.3(c) Cereal yields (kg/ha) in Africa (1970-2011)



Source: FAOSTAT (2013)

2.2.3 (d)

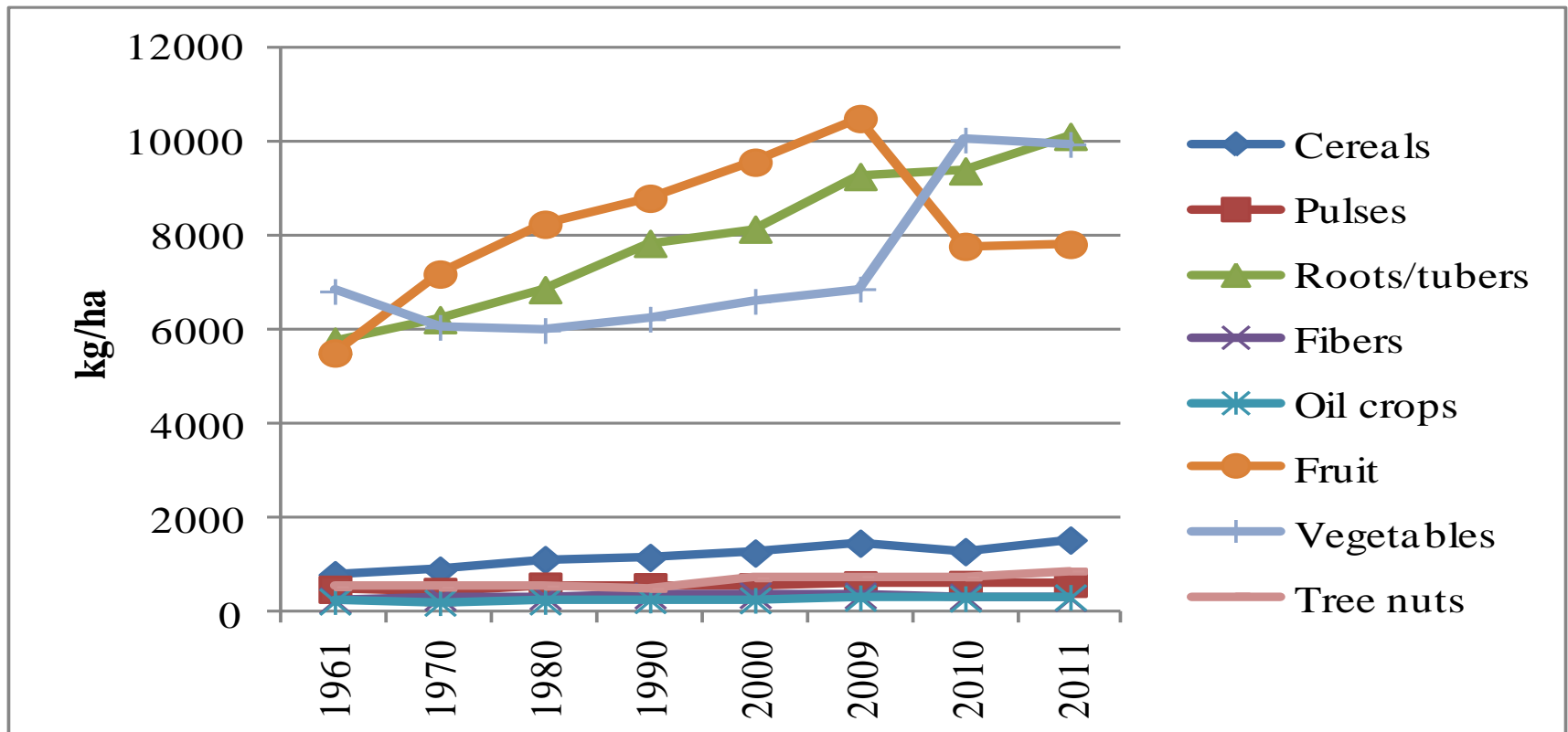
Cereal crop yields

2.2.3 (e)

African crop yields

Fig 2.2.3 (e)

African crop yields (kg/ha), 1961-2011

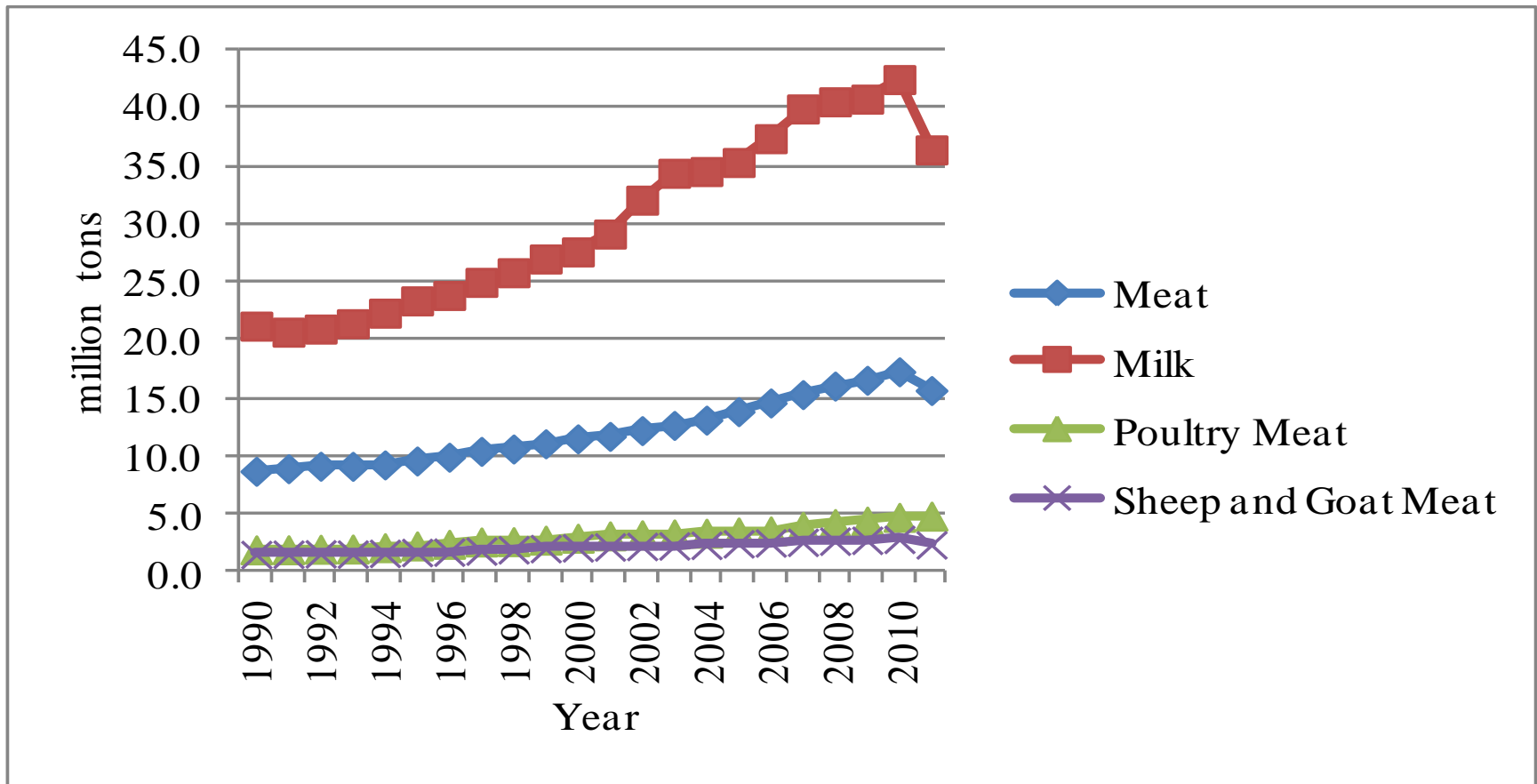


Source: Dietz (2011); *FAO (2013); **FAOSTAT (2013)

2.2.4 Livestock production

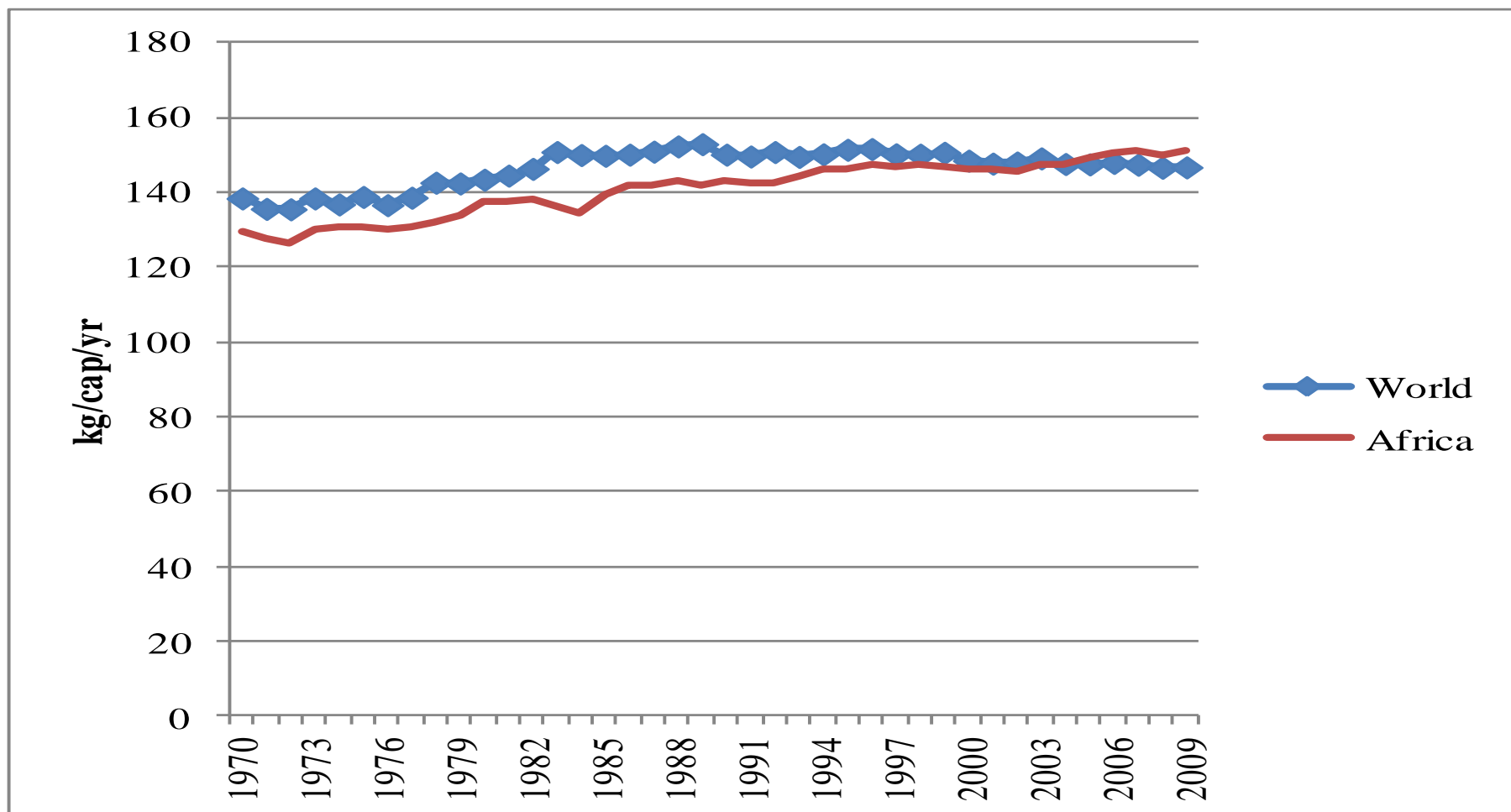
2.2.4 (a) Livestock production (million tonnes) (1970s/1980s)

Fig 2.2.4 (a) Livestock production (million tonnes)



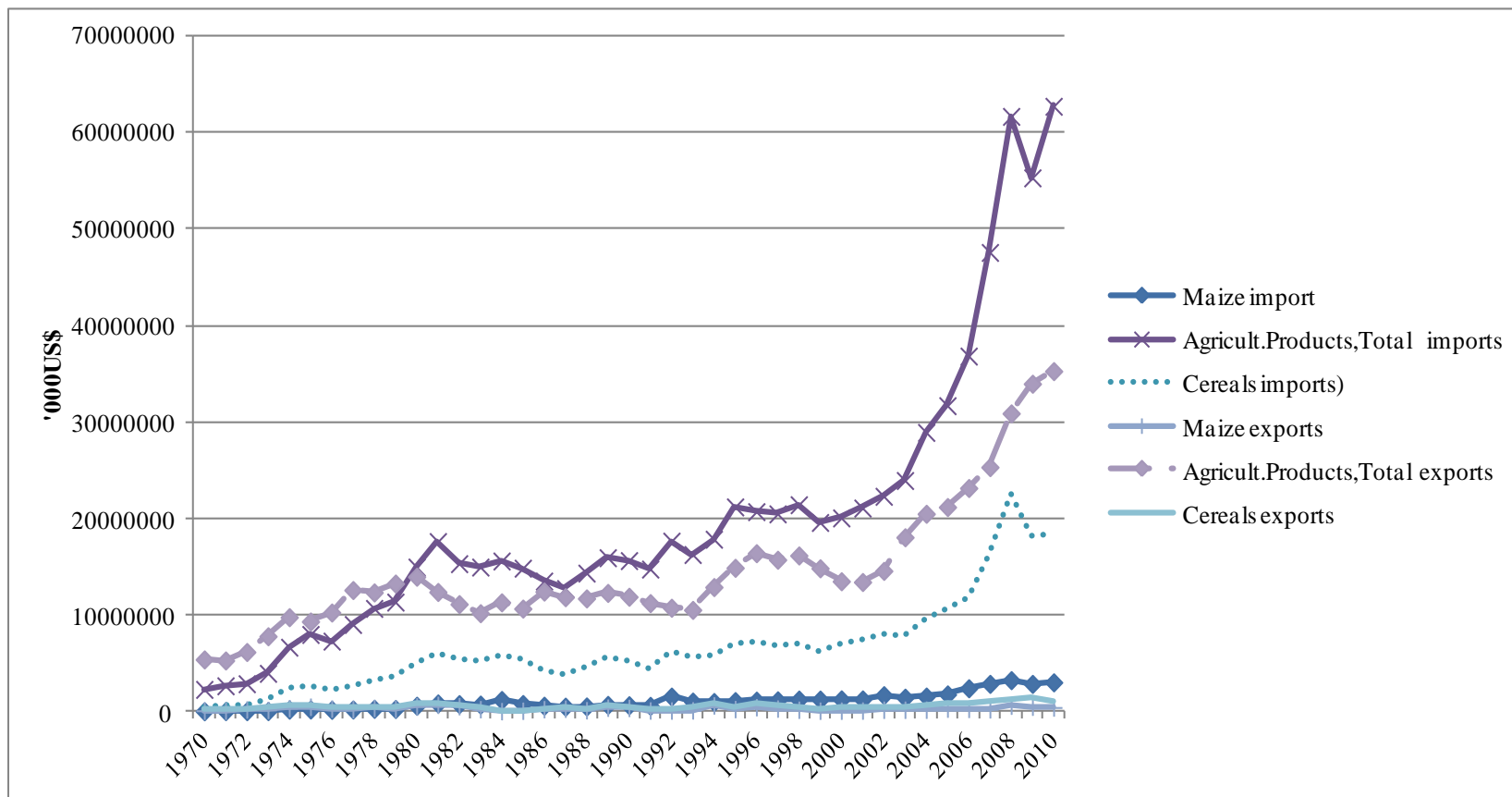
Source: FAOSTAT (2013)

Fig 2.2.5 Africa Cereal (excl. beer) supply quantity



Source: FAOSTAT (2013)

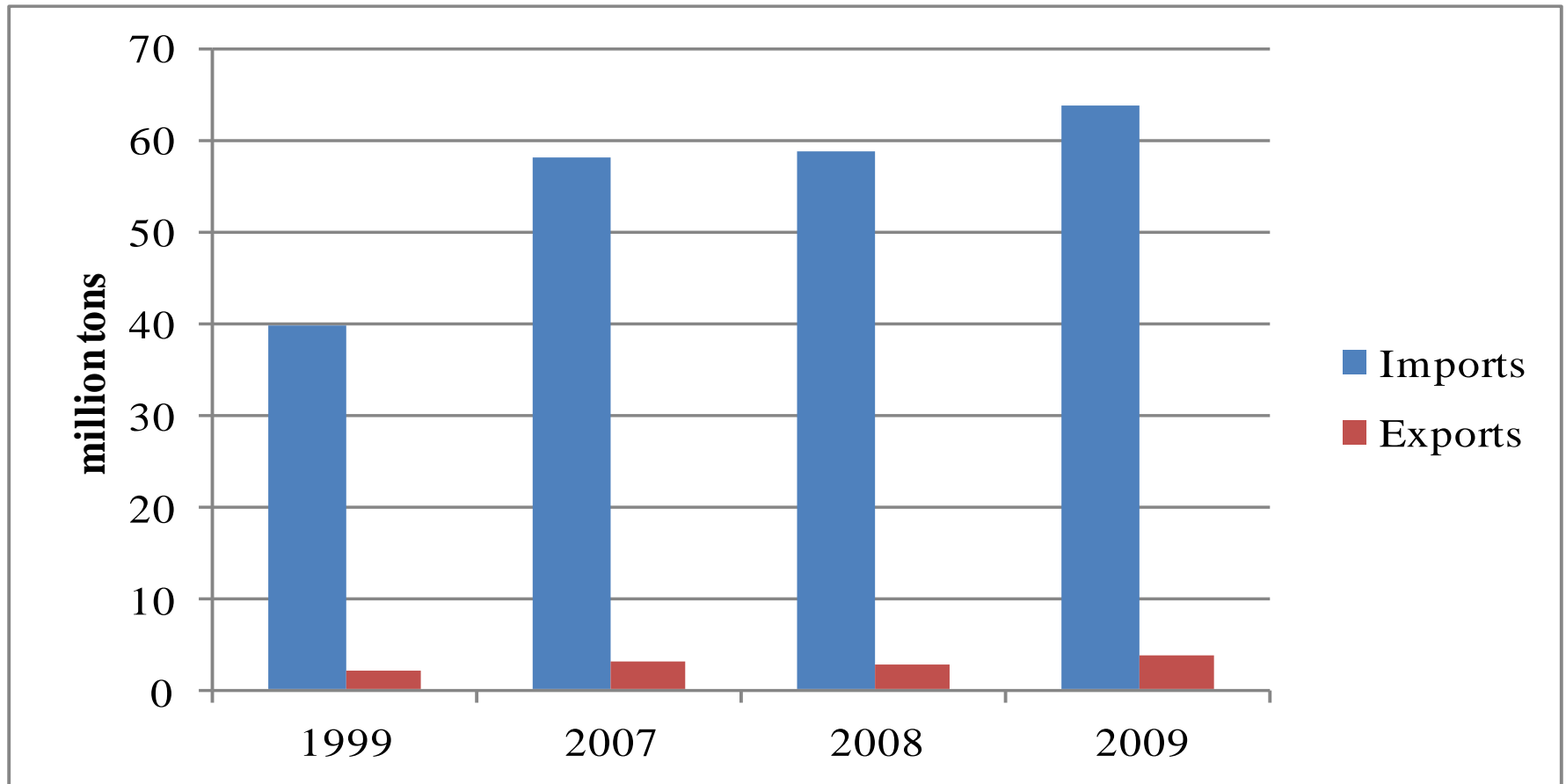
Fig 2.3.1 Africa agricultural products, cereals and maize trade ('000 US\$)



Source: FAOSTAT (2013)

2.3.2 Volume of cereal trade (imports/exports)

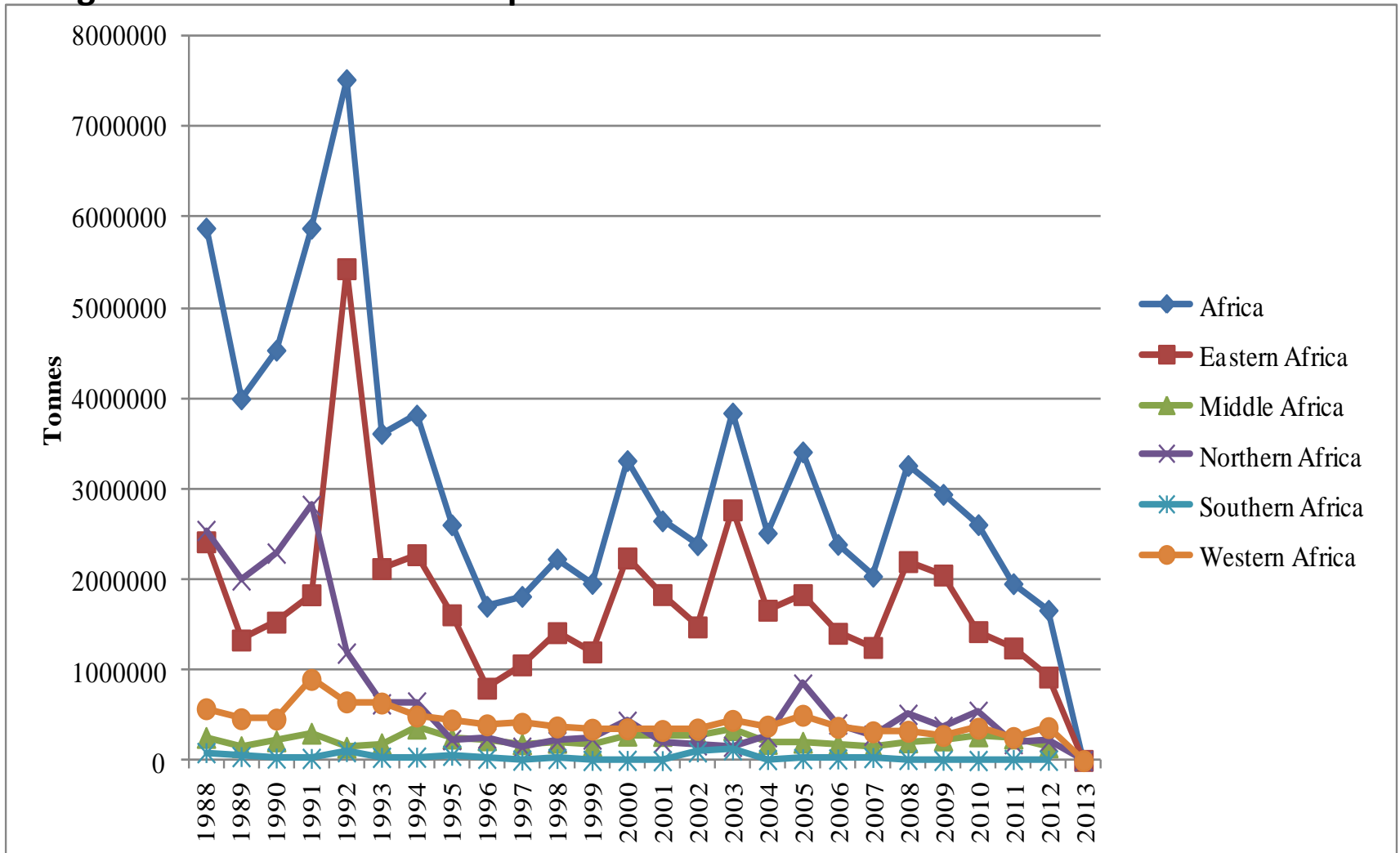
Fig.2. 3.2: Volume of cereal trade in Africa



Source: FAO (2013)

2.3.4 Cereal food aid shipments to Africa

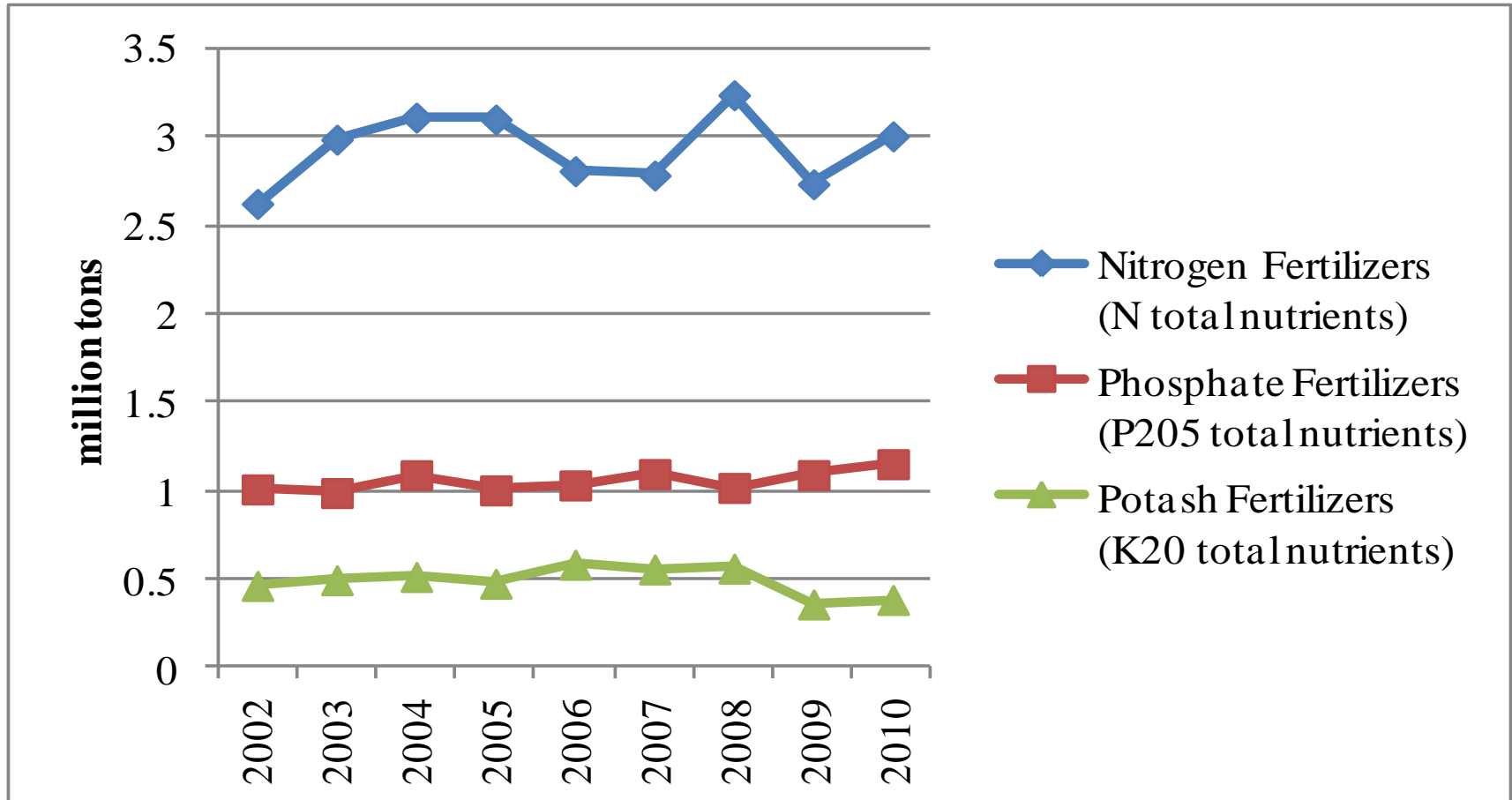
Fig 2.3.4 Cereal food aid shipments to Africa



Source: FAOSTAT (2013)

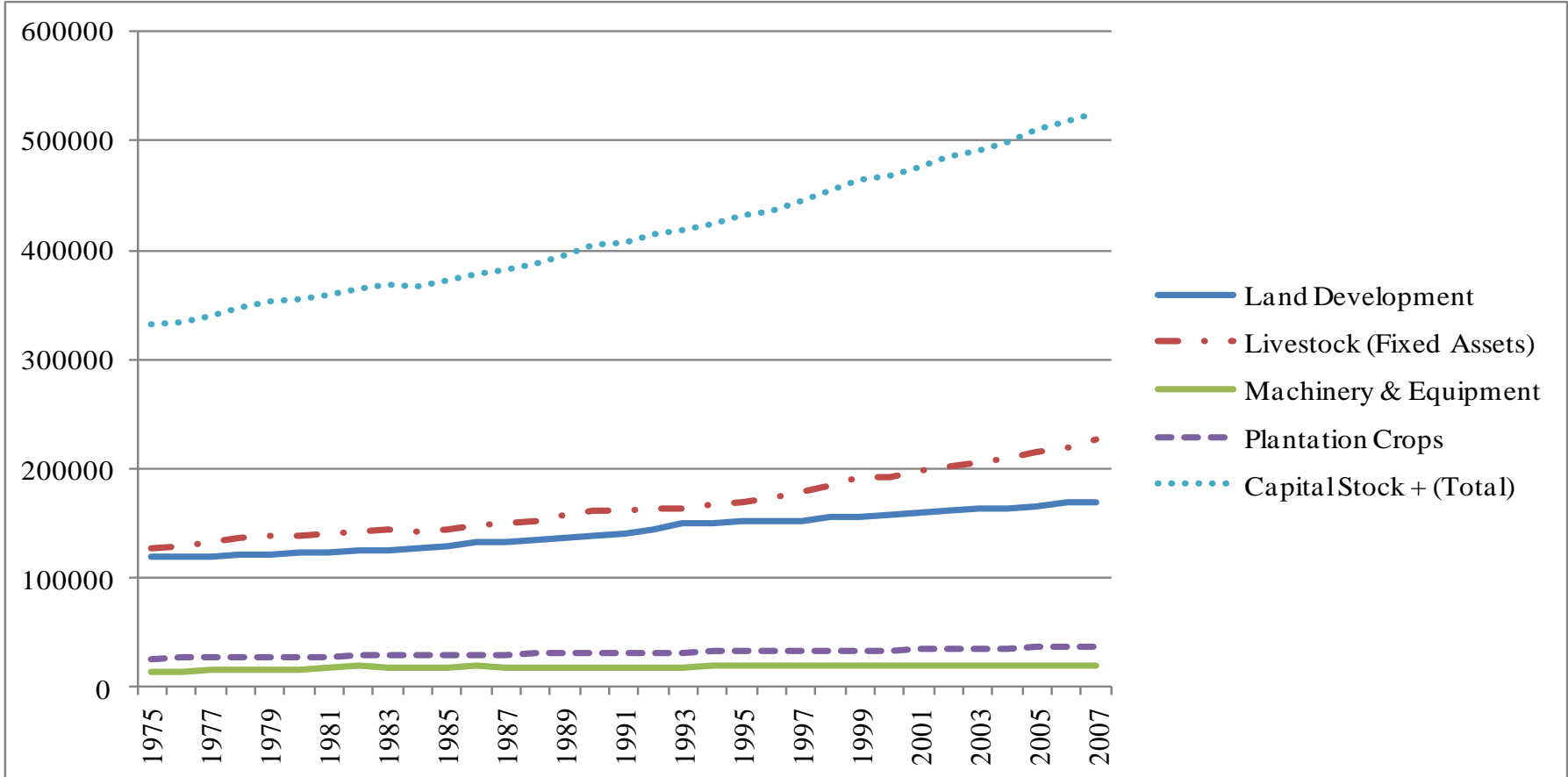
2.4 Agricultural Investments and Sustainability?

Fig.2.4.1 (a) Fertiliser consumption in nutrients (tonnes) in Africa



Source: FAOSTAT (2013)

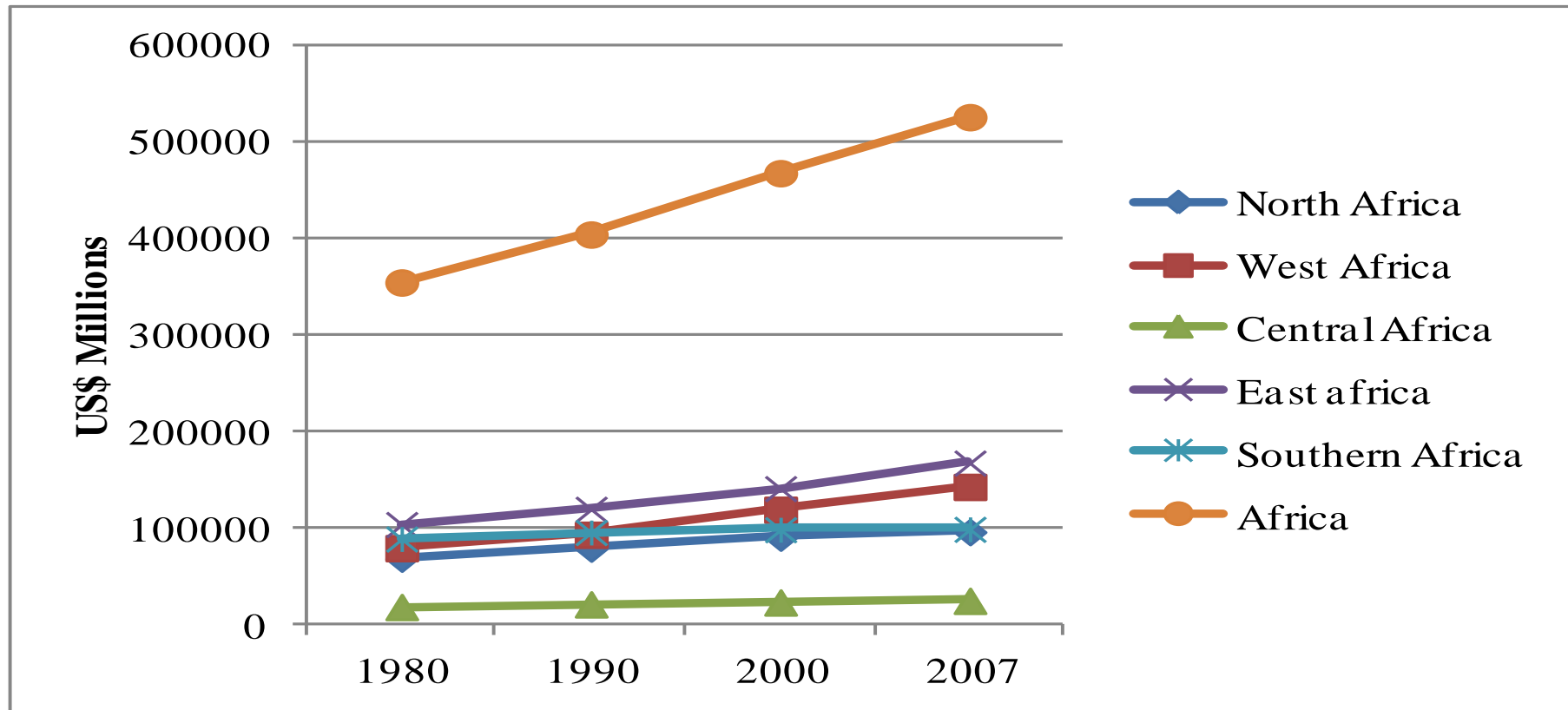
2.4.2 Capital and investment in agriculture: Gross Capital Stock (constant 2005 prices) (USD million)



Source: FAOSTAT (2013)

2.4.2 (b) Capital and investment in agriculture: Agricultural capital stock (constant 2005 prices)

Fig 2.4.2 (b) Capital and investment in agriculture: Agricultural capital stock (constant 2005 prices)



Source: FAO (2013)

3.0 Effects of Agricultural liberalisation

3.1 Slow growth and rising poverty

- Economic liberalization since 1980s generally slowed growth, poverty reduction + increased inequality + vulnerability in most countries
- Slower growth (except 2003-2008)
- Policy prescriptions, often imposed, have reduced policy space
- Less growth, revenue due to liberalization (tax competition) reduced fiscal means
- Reduced policy + fiscal space adverse effects for poverty + destitution

3.2 Declining terms of trade

- International terms of trade have moved against developing countries
- 1. Primary commodities vs manufactures
- 2. Tropical vs. temperate agriculture
- 3. South vs North manufactured Xs
- Generic manufactures vs monopolistic manufactures protected by IPRs?
- -Immiserating growth?

3.3 Negative capital flows and high costs

- Converse of advocates' claims:
- K flows not from K rich to K poor Except E Asia early + mid-1990s
- Costs of funds not lower
- Some old sources of volatility + instability reduced, but new sources introduced

3.4 Not enough food and Price vulnerability

- Poverty line mainly defined as money income to avoid hunger, but huge discrepancies between poverty + hunger measures
- *FAO: 963m. hungry world-wide – up by 142m. since 1990-92*
- Higher food prices: more hungry
- MDG1? Poverty down, hunger up since 1990!!! (Not lack of food)
- Before price spike, 1.4bn chronically hungry, 2+bn more undernourished ; 18,000 kids die daily for poor nutrition
- More food price volatility, levels
- 2007-8 food prices spiked, then declined
- Food prices rose again in 2010 until mid-2011 → more hunger → more poverty

3.4(b) Drivers of food crisis: fundamentals vs financialisation

- Fundamentals include agribusiness concentration, subsidies, e.g. bio-fuels
- Futures, options financial asset class
- Most investment strategies pro-cyclical

4.0 Some Case Studies: Mexico Maize

- The Mexico experience with maize by Alejandro