The EPAs are back!

Six SADC member states - Botswana, Namibia, Lesotho, South Africa, Swaziland and Mozambique - recently concluded an Economic Partnership Agreement (EPA) with the European Union as a bloc.

Most of the remaining SADC members are covered under the EPA between the EU and COMESA. Trade liberalisation is at the heart of EPAs, and the EPAs are World Trade Organisation (WTO) compatible.

A stakeholder meeting was recently held to review the EPA process and a number of issues and observations were raised. These included the lack of involvement by non-state actors (NSA), including farmers’ organisations, in the negotiations; the likelihood of further negotiations with Britain following Brexit; the negative impact this will have on regional integration due to the fracturing of SADC as a single unit as SADC EPA only covers six member countries and relatedly, the negative impact this might have on the implementation of SADC’s much publicised Industrialisation Strategy.

Other issues include potential conflict between the SADC EPA and the East and Southern Africa (ESA) EPA; expected import surges arising from the reduced tariffs; and that the tariff reduction could lead to reduction in revenue to governments which may not be replaced with aid or the positive impact of increased trade.

Three key messages can be discerned from the review meeting. Firstly, now that an agreement has been concluded, there is need to move beyond the politics and law to making it work- it’s no use dwelling on the past. Secondly, NSAs, including farmer’s organisations, need to re-group and tackle EPA issues, and the starting point is to understand what is in it, or not in it, for them. Lastly, whilst it might be good to liberalise, if you don’t increase productivity and competitiveness you will lose out- farmers and other producers beware!
The impact of land tenure systems on agricultural transformation

SACAU, in partnership with We Effect, commissioned a study to determine the impact of tenure systems on agricultural transformation in the smallholder sector. The study focused on four countries, namely Malawi, Mozambique, Tanzania and Zambia, and provided an overview of the main land tenure systems in existence in these countries and their main distinguishing features. It then analysed the relationship between the tenure systems and capital formation or long term investments. In this regard, the study looked at how the dominant tenure systems have compromised the development of smallholder farmers, also making specific reference to women and young farmers. The methodology included desk review and interviews with SACAU members and other stakeholders in the four countries.

The study found that African countries are struggling with structural transformation, and fail to overcome the Middle Income County (MIC) trap, resulting in further difficulty to attain High Income County (HIC) status. In this case, it asserted that “there is urbanisation with no urban jobs, the attraction being services, not manufacturing, and that it does not matter whether economic growth is low or high, it is invariably accompanied by rising equilibrium rates of unemployment and inequality, especially in rural areas where poverty is deepest.” Drawing from experiences from countries that have overcome the MIC trap, the study concluded that the way out of structural underdevelopment and poverty requires that rural transformation be driven by the whole economy, and the approach would be to break out of the dualism rather that pushing parallel development agendas that entrench dualism. It also highlighted that transformative rural capital formation is a multi-sector agenda which should go well beyond agricultural sector policy. It further placed importance on ‘tenure security’ as opposed to ‘type of tenure’, stating that “no tenure system is good or bad, right or wrong, rather a tenure system has to be appropriate for a given circumstance, and all tenure systems can strengthen or weaken with similar impacts.” Several recommendations for addressing the issues raised were also made. The study report will be discussed in May just before SACAU’s annual conference in Cape Town, South Africa, and more on the findings and conclusions of the study will follow in subsequent newsletters.

Progress on the COMESA Seed Harmonization Implementation Plan

The Common Market for Eastern and Southern Africa (COMESA) through its specialised agency, the Alliance for Commodity Trade in Eastern and Southern Africa (ACTESA), has put in place the COMESA Seed Harmonization Implementation Plan (COMSHIP) earmarked to domesticate the COMESA Seed Trade Harmonisation Regulations. Little progress has been made by member states in aligning their seed laws with the COMESA regulations. Only four countries are said to be gazetting their laws while the rest lag in this process. This does not help African countries as current statistics on seed trade are in favour of developed countries. Statistics show that COMESA countries are importing more seed than it is exporting, mainly due to low production within the region. COMESA has put together a plan to speed up the process with the concerned member states. This would include pushing for the finalisation of the launch of COMSHIP in all COMESA states training all national seed trade associations and national seed authorities on the operations of the COMESA Variety Catalogue. Two farmer exchange visits were held in 2016 and more farmers will also be supported to participate in exchange programmes on seed production. At regional level, COMESA would want to see that the COMESA Variety Catalogue is operational with seed companies registering best varieties for the benefit of smallholder farmers. COMESA will actively be working towards operationalising COMSHIP committees and ensuring they are meeting expectations.

SACAU was represented at the second meeting of the COMESA Seed Committee which was held from 20th to 21st February in Cairo Egypt mainly to review progress made since the inaugural meeting in September. SACAU sits in the COMESA Seed Committee, and was represented at its second meeting which was held from 20th to 21st February in Cairo Egypt mainly to review progress made since the inaugural meeting in September 2016 and more farmers will also be supported to participate in exchange programmes on seed production. At regional level, COMESA would want to see that the COMESA Variety Catalogue is operational with seed companies registering best varieties for the benefit of smallholder farmers. COMESA will actively be working towards operationalising COMSHIP committees and ensuring they are meeting expectations.

MARCH 2017

CEO’s Letter

By Ishmael Sunga

May is the month when all our members traditionally come together for their Annual Conference and the Annual General Meeting (AGM). Last year it was in Ezwilini, Swaziland, and the previous one was in Mahe, Seychelles. This time around, all roads will lead to Cape Town, South Africa, and the dates will be 22nd-26th May, 2017. The events will be co-hosted with AFASA and AgnISA, our two members in South Africa. Being the most important event in SACAU’s annual calendar, the Secretariat deducts an extraordinary amount of time and effort to ensure its success. Indeed, SACAU puts a premium on good corporate governance, and our AGM is the pinnacle of our governance processes. In this regard, the SACAU Board met on 30th March to discuss matters pertaining mainly to these two events. Among other business, the Board approved for presentation to the AGM; SACAU’s audited financial statements and the minutes of the last AGM, as well its proposed agenda. The meeting also reviewed compliance matters, including the nomination processes for three Board positions that will fall vacant at the start of the next AGM. Members will be able to democratically select their preferred candidates to these vacant positions during this event. The theme of this year’s Annual Conference will be on “Skilling for the future of Agriculture.” A conference on security of tenure in the smallholder sector in southern Africa has been slated in the same week and will precede the SACAU Annual Conference. We promise you more detailed coverage of the events as we draw closer and closer to the dates. While the AGM is reserved for members, we would like to take this opportunity to invite you all to the two conferences and we thus look forward to seeing you in “the Mother City”, Cape Town.
IFAD launches Rural Development Report

The launch of a Rural Development Report (RDR) 2016 by IFAD on 7th March 2017 marked an important milestone in the development of agriculture in the continent. The report which was launched in Pretoria by the President of IFAD, Dr Kanayo F. Nwanze, provides insights on how agriculture could be transformed to eliminate poverty on the continent. The IFAD President raised his concerns that Africa is the only region where poverty has increased over the years despite overall economic growth recorded over the same period. This was attributed to the fact that economic growth is not inclusive and in fact, not “pro-poor”. He then mentioned that “inclusive rural transformation is central to the global efforts to eliminate poverty and hunger and build inclusive and sustainable societies for all.”

Dr Kanayo F. Nwanze, IFAD President

The President's keynote address, it was clear that the right investments in the sector could lead to huge individual and societal transformation. Farming should be seen as a profitable and dignified business by the youth in order to attract them, said the President. The example of the Lesotho Wool and Mohair Growers Association was cited as one of the best examples where the appropriate investments can result in transformation of lives.

The RDR 2016 has given an analysis on global, regional and national pathways for rural transformation. The report has come up with four categories which most countries and regions fall into, each with a distinct objective. It is incumbent upon various stakeholders in the sector to look at these pathways and decide on the best options for their respective regions or countries. The report also presents policy and program implications in various regions and thematic areas of interventions. SACAU encourages members to access this report on https://www.ifad.org/pub/rdr.

“inclusive rural transformation is central to the global efforts to eliminate poverty and hunger and build inclusive and sustainable societies for all.”

AfDB talks Jobs for Youth in Africa

On 27th February 2017, Ministers from the southern African region gathered in Pretoria to discuss the African Development Bank (AfDB)’s strategy on “Jobs for youth in Africa”. Due to the priority that SACAU has set to actively involve the youth in the agricultural sector to create decent and sustainable employment along various levels of the value chain, the organisation’s Capacity Development Advisor, Mr Benito Eliasi attended the meeting.

Young “agripreneurs” were also represented at the meeting and they provided insights as to what needs to be done from their own perspective to create employment. The AfDB strategy was developed against the backdrop that the population of African youth is rapidly growing and expected to double to over 630 million by 2050. Furthermore, the potential benefits of Africa’s youth are not realised at present and this presents untapped potential for the agricultural and related sectors. The strategy is aimed at creating about 25 million jobs and aims to reach 50 million youth by 2025. Its approach is holistic in the sense that it has taken an ecosystem approach by addressing the full range of youth employment challenges, deploying a variety of interventions and convening partners from across the continent. The bank intends to use three strategic areas namely; integration, innovation and investment.

Finance and youth portfolio ministers from Zambia, Zimbabwe, Swaziland, South Africa and Mozambique were present and made interventions in terms of how the strategy would assist their respective countries to advance the local youth employment agendas. All countries indicated that they have specific youth employment policies and programs in their respective countries, but still face challenges in addressing the issue of unemployment. Most of the programs are affected by the lack of facilities and resources in these countries. It was also strongly advised by a number of panelists that for the strategy to be effective, country level initiatives should collaborate with higher learning institutions such as universities. It was clear that most of the youth do not receive relevant qualifications and skills to enable them to create employment.

From SACAU’s point of view, it was clear that when talking about job creation, most countries placed less attention on creating profitable and sustainable jobs in the agricultural sector, affecting the viability of such efforts. The emphasis by most speakers was on creating businesses in trade and artisanal roles and less on manufacturing. SACAU is working with the youth in the region to enable them to become creators of meaningful jobs along the value chain in the sector and a number of them have made strides in this regard. The sector has the potential to create these jobs only if the youth are provided with adequate advice and support. SACAU also cautions stakeholders in the youth sector to avoid treating the youth as a homogeneous group. There is need to segregate the youth and channel interventions based on factors such as their respective backgrounds, qualifications and skill sets, for instance. Farmers’ organisations are called upon to play a leading role in the implementation of this strategic plan in their various countries. They have to collaborate with relevant ministries and departments in their countries to ensure that their contributions and views are taken into account when rolling out this impressive strategy.
Dairy Steering Committee meet in Pretoria and define 2017 strategy

The Steering Committee that drives the collaboration of regional dairy associations convened a meeting on 3rd April in Pretoria, South Africa. The Committee reviewed progress of the dairy platform, finalised terms of reference for the platform and looked at the longer-term focus of the collaboration.

Central to the regional collaboration is the strengthening of dairy associations across the region and this is a core function of the work SACAU has been coordinating in the dairy sector. Promoting and enabling cooperation among dairy associations in southern Africa through the provision of skills and capacity development and sharing of best practices has been the foremost thrust of this agenda.

Considering the average age of a dairy farmer in the region, the Steering Committee also recognised the need to drive the inclusion of a new generation of young women and men entrepreneurs with the ambition and energy to advance the sector. This will necessitate an improved understanding of why the youth are not participating in the dairy sector at an increased rate and an activity has been envisioned around this.

The Committee also commenced planning for the 2017 regional meeting which shall be held in Nairobi, Kenya later this year and will involve an exciting learning tour of the Kenyan dairy industry. Amongst others, the visit will provide insights on how Kenya’s smallholder dairy sector is organised; innovations in the smallholder dairy sector, factors that have driven the success of the sector, raw milk kiosks, price negotiations and pricing models and addressing milk wastage.