

**ASSURING FOOD AND NUTRITION SECURITY IN AFRICA BY 2020:
Prioritizing Action, Strengthening Actors, and Facilitating Partnerships**
April 1–3, 2004, Kampala, Uganda

SUMMARY NOTE

Parallel Session: **Implementing Action in Key Areas: Fostering Economic Growth and Improving Markets and Trade**

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Title: **Improving Smallholder Marketing in Africa: The Case of Maize**

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Maize is of fundamental importance in Africa as a staple food, as a tool for economic development, for political stability and is useful when it comes to the welfare of the poor. Maize accounts for 30–50 percent of the expenditure of low-income households in East and Southern Africa, hence when prices of this commodity are high, the poor are the most affected.

The value of maize is very low in relation to transport within the African continent, rendering intra-regional trade and exporting of this commodity almost impossible. This has led to a large difference between import and export parity prices. The problems of Maize Marketing are made worse by other constraints such as unreliable rainfall, low capitalization of smallholder agriculture in Africa and stunted to declining production of the commodity. This has made Africa a net importer of maize. All these problems have implications on the working of a liberalized grain market especially for smallholder farmers, who are often located in remote areas with poor market information and market infrastructure.

Government controlled chain marketing of grain in Africa floundered in many countries with heavy economic consequences. This ushered in the era of liberalization, which was not only donor-driven but was also half-heartedly implemented by countries in Africa leading to mixed cases of successes and mostly failures. In this post-liberalization era, the sector has experienced a declining per capita maize production, reduced consumer prices, an emergency of a large number of informal traders, poorly functioning input supply systems, lack of credit for farmers and traders and increasing maize imports.

SACRED-Africa, an NGO based in Kenya, has been implementing a project (dubbed Maize Marketing Movement) with smallholder farmers to help them play a more active role in the marketing of their grain in a liberalized economy. The project, which aims at building and empowering strong producer associations and improving the quality of marketed maize has managed to facilitate the transformation of producer associations into viable marketing associations with a strong business acumen. The project has also managed to stabilize the prices of maize in the target areas and increased the area under maize.

Through this project and a study of liberalized maize marketing systems in Africa, this project suggests that the following needs to be done to improve the marketing of maize in the continent:

- Putting in place a realistic policy and legal framework that will facilitate marketing of maize in a liberalized system.
- Tirelessly work towards reducing transaction and transport costs in the continent
- Free cross border trade to stabilize supply and demand
- Encourage the formation of strong produce associations
- Encourage strong private sector participation in the sectors
- Instill a sense of farming as a business among smallholder farmers.

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