



GLOBAL: Export controls curtail aid for hungry neighbours



Photo: Abdullah Shaheen/IRIN
WFP has had to put off shipments of food to Afghanistan

JOHANNESBURG, 14 May 2008 (IRIN) - Government attempts to control food supplies to ensure that their people have enough to eat are hampering efforts by the World Food Programme (WFP) to source cheap food for the hungry.

The UN agency has been trying to reduce costs by procuring food regionally, but its attempts to stretch donor cash have been stymied by countries struggling with record food and fuel prices. Some have imposed export bans or export tax, complicating WFP's intention to ship more than 100,000 metric tonnes (mt) of food.

WFP spokesman Martin Penner said they wanted to export 2,500mt of grain to Ghana and Niger from Burkina Faso, which has not given the go-ahead. The aid agency provides food to more than 1.3 million beneficiaries in Ghana and 1.6 million in Niger. Rising food prices have led to protests in Burkina Faso, where the government has been under pressure to respond to the crisis.

The aid agency has also had to put off three shipments of food to Afghanistan because of price controls put in place by neighbouring Pakistan, Iran and Kazakhstan. According to Penner, Pakistan has yet to agree to a WFP request, made in February, to ship 100,000mt of wheat to Afghanistan; Iran imposed a US\$300,000 export tax and the aid agency has

had to cancel the purchase of 3,000mt; Kazakhstan banned wheat exports in April, which led to the purchase of 5,500mt being scuppered.

It is unclear whether Pakistan's policy on wheat exports has affected WFP's shipment to Afghanistan. In April, The Daily Times, a Pakistani newspaper, quoted a government official as saying, "We are exporting wheat to Afghanistan for the last several years and it will be continued on humanitarian grounds" but "through official level".

Up to 70 percent of Afghanistan's estimated 26.6 million people are considered food-insecure by the UN Food and Agriculture Organisation, but high food prices have recently pushed millions more into "high risk" food-insecurity.

Escalating food and fuel prices have affected every region, but countries that are net importers of staple grains such as wheat and rice are worst affected. According to the World Bank, global food prices have shot by 83 percent since the beginning of 2008. A growing demand for meat, milk and biofuels, and droughts in grain-producing countries like Australia have affected food prices and could push 100 million people into deeper poverty, warned the bank.

The aid agency, Catholic Relief Services, said in some regions of Niger families have started eating only one meal a day; in Burkina Faso between 60 and 80 percent of the minimum salary of a civil servant - about \$100 a month - is spent on food and fuel: a bag of rice costs around \$35 and a month's supply of gasoline can cost close to \$30.

Short-sighted

The Washington Post recently described government policies to restrict movement of staple grains as understandable, but "fatally shortsighted ... Over time, the curtailment in trade simply encourages hoarding and discourages production. The result: shrinking supplies and higher prices."

Export bans disrupt markets, on which the poor depend on heavily to survive, said Christopher Barrett, who teaches development economics at Cornell University, New York, and is the co-author of the book, *Food Aid After Fifty Years: Recasting Its Role*. "Government disruption of those markets almost always comes at a heavy humanitarian price, in addition to the economic inefficiency it causes."

Export bans are "a beggar-thy-neighbour policy that makes poor importing countries (think of Afghanistan, the Philippines) worse off by disrupting food availability and driving up prices in those countries, for only modest and short-lived price drops in the ban-imposing country," he added.

Controlling the movement of food "promotes the emergence of a parallel market, which in relatively short order almost always negates the price effects of the ban, so that the export ban ultimately just wastes both government and merchant resources and undermines the rule of law," said Barrett.

He pointed out that bans also "undermine the exporter's reliability as a supplier, which hurts them over the medium-to-long term because they have to offer lower prices in order to compensate for their compromised reliability".

The WFP is trying to work around the obstacles, "looking for alternative sources and explaining to governments the humanitarian importance of the food we are trying to obtain", said Penner. "India,

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which waived its ban on rice imports, is a good example of where a government took our humanitarian goals into account." Despite a ban on rice exports, India permitted the WFP to buy and ship 25,410mt of rice.

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**drops in the
ban-imposing country**



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