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**Press Release**

**Attention: The Business Editor**

**For immediate release.**

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## **World grain experts meet in Uganda to discuss efforts towards innovative and sustainable food security initiatives at the 4th African Grain Trade Summit 2011.**

The 4<sup>th</sup> African Grain Trade Summit 2011- Uganda will be the hub of world experts on trade and food security for Africa during the 4<sup>th</sup> Edition of the Grain Trade Summit to be held on 13<sup>th</sup> and 14<sup>th</sup> October at the Speke Resort, Kampala, Uganda. The theme of the summit is ***“Accelerating Growth in Grain Trade: Opportunities for Strategic Partnerships and Investment.*** This 4th Summit organized by the Eastern Africa Grain Council (EAGC), comes after two previous ones held in Nairobi and the other in Dar es Salaam respectively in 2005, 2007 and 2009.

The summit brings together key experts, policy makers, researchers, practitioners, producers, private sector and development partners in the quest to re-think through the dire needed solutions to the food security and grain trade challenges currently been experienced in the region. This process is supported by the Swedish International Development Agency (SIDA) and USAID - COMPETE.

Specifically the Summit seeks to address;

1. The impact of Policy on Grain Trade in the Region
2. The role of trade in enhancing food security
3. Exploring the establishment of Structured Grain Trade: Progress and Future Expectations including harmonized standards, warehouse receipting and commodity exchanges.
4. Financing African Grain Trade: overcoming the challenges
5. Developing the grain value chains: opportunities for investment

In order to achieve this, the summit expects to create and strengthen partnerships at both national level through public and private linkages and internationally. The summit calls for a concerted effort in the pooling of resources and knowledge sharing

among the various stakeholders and development partners to ensure best returns on investment in the sector. [www.graintradesummit.com](http://www.graintradesummit.com)

### **Food Security in Eastern Africa.**

Most parts of East Africa are facing the worst food crisis. Drought is worsening following successive failed rains. The price of staple foods has risen to unaffordable levels for many people. The latest food situation in general is not impressive as food shortages in Eastern African projected to affect up to 20 million people, an increase of three million since April 2011.

Food prices for the period April to July 2011 have declined slightly from their peak in February, although prices remain volatile for specific commodities such as rice, maize, and wheat according to reports from the Regional Agriculture Trade Intelligence Network (RATIN) - a Marketing Information System of EAGC. For example annual price changes in maize in the 12 months up to June 2011 ranged from increases of more than 100 percent in Kampala (Uganda).

Food prices especially those of cereals are at record levels across most livelihoods outside the harvesting epicenters. Maize prices in most countries in Eastern Africa are up to 130 percent above normal in the main markets and up to 105 percent above normal in the southeastern and coastal cropping lowlands. In most countries in the region it is expected that the average but delayed rains are expected to result in average crop harvests in August and September 2011. However, the access to food for most people in region is expected to remain low due to the low resource base, despite any changes in harvest as a result of the rains.

### **Regional Grain Trade in Eastern Africa.**

Eastern Africa is on the right path of intra-regional trade, but lags behind other global regions. Exports from Africa increased significantly and continuously especially in the last 10 years and accounts for less than 10% of total trade. According to reports by the Eastern Africa Community, Intra-regional trade has grown by 49 per cent in the last five years with an increased interest to liberalize and promote cross-border trade among member states of the regional bloc; Tanzania, Uganda, Kenya, Burundi and Rwanda. The Implementation of the trade arrangement has also earned the region other tangible benefits such as increased investments adding to inflows of foreign direct investment (FDI) almost tripled from \$ 692 million (Sh913.4 billion) in 2002 to \$ 1.7billion (Sh2.2 trillion) in 2007 with Tanzania and Uganda receiving the largest proportions.

In addition, there has also been a renewed interest and a bid to ensure trade in agricultural produce and especially grain for regional food security and increased investments leading to the regional blocks removing tariff grain. The EAC has also gone further to protect regional markets in a bid to encourage investments in the production of grain by adopting an external tariff structure on grain ranging between

75% for rice to 50% for maize. Accordingly, Intra-Regional agricultural trade flow within the region which is dominated by trade in maize, rice, beans, pulses, millet and wheat and in an effort to ensure structured trade and increased investments within the grain sub-sector, most governments and stakeholders have eliminated some of the trade barriers to trade in the region.

EAGC's mandate is to develop, promote, and influence Structured Grain Trading system in the Eastern Africa region. The necessary ingredients for Structured Trading to happen include adequate storage capacity, organized small-scale farmers with capacity to aggregate volumes of grain, institutionalized and harmonized grades and standards, and adherence to contracts and rules of trade. It is expected that increasing intra-regional trade through structured trading systems and opening up an integrated regional market has multiple benefits. These benefits include but are not limited to increased food production, investment in structures that support agricultural value chains for example warehousing and ultimately increased incomes and poverty alleviation.

Reliable access to regional markets creates incentives for investments in more efficient grain value chain services such as storage, warehouse receipt systems, market information systems, agro-dealer and input supply networks, more efficient delivery of improved technologies, and other services that stimulate increased productivity. These investments will facilitate movement of grain from surplus to deficit areas.

The EAC Common Market, which came into force on 1 July 2010, is also expected to further enhance intra-EAC trade. During this phase, partner states will undertake a variety of trade and trade facilitation measures including elimination of tariff, non-tariff and technical barriers to trade; implement harmonized standards; adopt an integrated border management system and eliminate restrictions on movement of labour, services and service, suppliers and capital.

#### **The 4<sup>th</sup> African Grain Trade Summit.**

The 4<sup>th</sup> Africa Grain Trade Summit will provide a forum for the African and global grain community to discuss and recommend solutions to policy, regulatory, agricultural and financial bottlenecks that continue to hinder grain trade and food security across Africa. In order to achieve this, the Eastern Africa Grain Council is teaming up with various partners to seek ways of not only accelerating grain trade but also creating new and strengthening existing partnerships to enhance food security through trade.

The Summit seeks to address the current food security situation across the region by working towards the gains accrued from the previous summits which contribute to the realization of a transformed policy environment, improved productivity and access to agricultural markets in the Eastern and Southern Africa region. The summit brings together national, regional and international policy makers,

researchers, private sector stakeholders and development partners in grain value chain.

The summit media launch was held with all the stakeholders in the East Africa region on 29<sup>th</sup> August 2011 at the Speke hotel in Kampala.

### **Media participation.**

The media launch was held in Kampala, Uganda on 26<sup>th</sup> August 2011, where representative from the media houses across Eastern Africa participated. Registration for Media participation is open for registration on [www.graintradesummit.com](http://www.graintradesummit.com)

### **About Eastern Africa Grain Council (EAGC).**

*The Eastern Africa Grain Council is a regional organization with membership drawn from across the Eastern and Southern Africa. Members of the Council cut across the Grain value chain and include all the key players in production, trade and processing in nine (9) countries across Africa including Rwanda, Burundi, Kenya, Uganda, Tanzania, Zambia, Malawi, South Sudan, and Ethiopia.*

*Some of our key services include Warehouse receipting systems, Market intelligence Systems and evidence-based policy advocacy for an enabling policy environment. The Council works very closely with governments in the region, regional economic blocs like the EAC, COMESA and SADC and also development partners to address the various challenges in food security.*

[www.eagc.org](http://www.eagc.org); [www.ratin.net](http://www.ratin.net), [www.graintradesummit.com](http://www.graintradesummit.com)

For More Information Contact

#### **Janet Ngombalu**

Marketing Information Systems and  
Communications Manager  
Eastern Africa Grain Council - EAGC  
Maple Court, Off Westlands Road,  
Nairobi, Kenya.

+254 2 3745840

+254 722 804104

[jngombalu@eagc.org](mailto:jngombalu@eagc.org)

[www.graintradesummit.com](http://www.graintradesummit.com)