Trouble ahead as the world food crisis starts to bite

AFRICA

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Once again, it is the world's poor who risk becoming collateral damage. As war thunders on in Ukraine, the most deprived people in the Middle East, central Asia and much of Africa will get caught in the crossfire as the price of food escalates and its availability dwindles.

In 2021, almost 700mn people, or 9 per cent of the world's population — nearly two-thirds of them in sub-Saharan Africa — lived on below $1.90 a day, the World Bank's definition of extreme poverty. Any substantial rise in food prices could send millions more tumbling back into this category.

A report by Standard & Poor's predicts the food crisis will last through 2024 and possibly beyond. It warns that it could affect social stability, economic growth and sovereign ratings. The International Rescue Committee has alerted the world to an impending "hunger fallout" in which 47mn more people — mostly in the Horn of Africa, the Sahel, Afghanistan and Yemen — could be pushed into acute hunger.

Before Russia's invasion of Ukraine, the two countries were, either separately or as a pair, among the top three exporters of wheat, maize, rapeseed, sunflower seeds and sunflower oil. Together they accounted for 12 per cent of all traded food calories. Russia is the largest producer of fertiliser. Rising energy costs are affecting everything.

In Ghana, inflation is nudging 25 per cent, eating away at purchasing power. In Nigeria, the central bank surprised markets by raising rates a hefty 150 basis points. This week, Kenya increased interest rates for the first time in almost seven years, citing supply chain disruption and rising commodity prices.

It doesn't take a particularly paranoid leader to sense trouble ahead. Many recall the origins of the Arab spring, which started, at least symbolically, in 2010 with the self-immolation of a Tunisian vegetable vendor. Rising food prices in 2007 and 2008 sparked riots worldwide. The Sudanese protests that swept longtime dictator Omar al-Bashir from power in 2019 were triggered by unaffordable daily bread.

Leaders sense the urgency. This week, Macky Sall, president of Senegal and chair of the African Union, announced he was travelling to Moscow. There, presumably, he will petition Vladimir Putin on the consequences of Russia's blockade of the Black Sea port of Odesa, which is preventing 20mn tonnes of wheat from leaving Ukraine.

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Putin's invasion, not the resulting sanctions, is the main cause of this misery. Still, the west should take seriously Sall's complaint that sanctions on Russian banks have made it difficult, if not impossible, to buy grain and fertiliser from Russia. One EU official admitted there was a "glitch" in the sanctions regime. It must be fixed.

In the longer run, many countries — particularly in Africa, where urban populations are rising quickest — need to think harder about food security. The 2003 Maputo Declaration committed African heads of state to devote at least 10 per cent of budgetary allocations to agriculture. Few have come close.

Instead of lending serious effort to raising domestic yields, too many governments have sought to placate restless populations with food imports. Africa is the fastest-growing consumer of wheat even though, outside a few countries including Kenya and South Africa, little is grown on the continent.

Crops that are produced locally need more attention. The widespread use of teff, an ancient Ethiopian grain, in the Horn of Africa is a good example. Other crops that could be eaten more widely include cassava, grown in west and central Africa, which can be made into bread. Governments also need to combat soil erosion and reconsider genetically modified crops.

As well as food, too many countries are dependent on fertiliser imports. In Africa, Morocco is one of the few big producers. Countries with big gas reserves, including Mozambique, Tanzania, Ivory Coast, Senegal and Mauritania, should be developing a domestic fertiliser industry as a priority.

In Nigeria, businessman Aliko Dangote has shown this is possible. This year, he inaugurated a fertiliser plant just outside Lagos with the capacity to produce 3mn tonnes of urea annually, making it among the biggest in the world. He told CNN that his fertiliser is being shipped to the US, Brazil, Mexico and India, earning valuable foreign exchange. But Dangote's fertiliser should also be the basis for a domestic push for higher crop yields.

Governments are right to worry about their hungry urban populations. The solution is to pay more attention to their farmers.

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