G. Pascal Zachary is the author of The Diversity Advantage: Multicultural Identity in the New World Economy *(Westview, 2003). He spent last year in Ghana as country director of Journalists for Human Rights.*

Cheap Chickens: Feeding Africa's Poor

G. Pascal Zachary

The chicken peddler in Accra's central market looked astonished as my wife repeated that the price for his live broiler was too high. He shook his head in anger. "Today's price is forty thousand cedis," he declared, the equivalent of four dollars and fifty cents in U.S. currency. When the peddler insisted his price was fair, my wife laughed, then asked, "Have you ever bought a Brazilian chicken?"

The peddler didn't answer. Accepting defeat, he glared at my wife and stalked off, holding a few chickens by the neck in each hand.

My wife, an African herself, is a hard bargainer. Even so, there was a time when she would gladly have paid four dollars and fifty cents for a live chicken. But that was before Brazilian chickens came to Ghana. The chickens from Brazil were frozen, to be sure, but there was a seemingly endless supply of them, and they were half the price of live ones. The Brazilian chickens had other advantages over homegrown ones: they came stripped, cleaned, and ready to cook.

So my wife bought Brazilian chickens. She bought them even though she didn't know how these chickens, shrouded in tight plastic wrappers, suddenly turned up in Accra, Ghana's capital. She bought them even though she didn't understand why, even after they had been shipped halfway around the globe, they were so cheap.

The popularity in Accra of cheap Brazilian chickens is an example of what has gone right and what has gone wrong with the supply of food in Africa. Because of global trade, Ghanaians—especially those who live in cities—eat a wider range of foods than ever before. Shiploads of Thai rice stream into Ghana's Tema port, selling for prices below those charged for rice grown only a few hundred miles away in northern Ghana. Canned tomatoes from Italy pour into the country, even though locally grown tomatoes are plentiful. The least expensive chocolate bar comes all the way from Indonesia, even though cocoa—the product's main ingredient—is Ghana's largest cash crop.

Food imports, while helping consumers, hurt food producers. Domestic producers are less efficient than foreign producers. Whether they raise chickens or grow rice, Ghana's food producers face relentless competition from cheap imports that undercut their incentive to invest in production by robbing them of both profits and markets.

Ghana has a comparative advantage in the production of certain foodstuffs. The country is the world's second largest producer of cocoa beans, which are the primary source of the country's export earnings, but relatively few beans are processed domestically. Similarly, Ghana exports few of the bananas and pineapples it grows in abundance due to an absence of food processing capacity and a lack of infrastructure necessary to get these perishables to foreign markets quickly.

Why Ghana's food producers are not better prepared to compete in the global food trade is part of the larger question of why sub-Saharan Africa cannot feed itself. Food imports certainly enrich the lives of Ghana's city dwellers and improve the country's "food security," a major issue on a continent where food shortages cause widespread malnutrition and starvation. Food aid—free food from rich countries—helps African societies close their food gap. But reliance on outsiders for food also undermines African self-reliance. Wealthy nations, from Germany and France to Canada and the United States, and developing countries like India and China, strive to produce enough food to cover basic needs. To this end, they invest in farm productivity in ways that raise the incomes of farmers, improve output, and drive consumer demand for homegrown foods. African countries do not do the same. As a result, Africans pay relatively more for their food and depend to a greater degree on imported food than people elsewhere.

The Riddle of Poverty

Nearly 70 percent of Africans who live south of the Sahara work primarily in agriculture. African farmers are the world's poorest. Over the past 40 years, agricultural performance in Africa has deteriorated, according to the International Food Policy Research Institute (IFPRI), located in Washington, D.C., which in April released a series of detailed studies on African agriculture.[1] Since the 1960s, Africa's share of world agricultural exports has fallen from 8 percent to 2 percent, a staggering drop. Over the same period, the sub-Saharan region has gone from being a net food exporter to a net food importer.

Sub-Saharan Africa's declining farm output is even more troubling in the face of the region's rapid population growth. Since 1965, cultivated land per capita has fallen by 40 percent. And, according to IFPRI, soil degradation is a problem for nearly half of the region's arable land. Spending by African governments on agriculture has also declined, falling from 7.5 percent to 6 percent of agricultural GDP over the past 20 years. Even foreign aid to African farmers has declined; aid flows fell by half (to $1 billion annually) in the 1990s.

So long as the specter of famine haunts Africa, the high cost of food—and the continent's dependence on outsiders to meet food shortages—will remain a critical problem. And given the number of people involved in agriculture, without a sharp and prolonged rise in farm income, poverty will remain endemic. The realization that agricultural reform holds the key to Africa's economic future is beginning to dawn on the region's leaders. In December 2003, 70 agricultural specialists from around the world were brought together in Pretoria, South Africa, by the New Partnership for Africa's Development, a reform initiative composed of virtually every African government (including the Arab and Muslim countries of North Africa) and welcomed by the foreign aid agencies of wealthy nations. In a statement on the future of African agriculture, the Pretoria group noted: "Significant poverty reduction will not be possible in Africa without rapid agricultural growth. Only improved agricultural productivity can simultaneously improve welfare among the two-thirds of all Africans who work primarily in agriculture as well as the urban poor, who spend over 60 percent of their budget on food staples."[2]

Development experts have been grappling with the problem of boosting food production to keep up with population growth for the past half-century. The solution, it was hoped, would be found in a "green revolution," a catch-all phrase for a loose system of improvements in agricultural output, centered on improved varieties of crops and farming methods. First successful in parts of Latin America in the 1950s, the green revolution later transformed farm output in India, China, and elsewhere in Asia. Across Latin America and Asia, new strains of rice led to a 2 percent average annual increase in yields; wheat harvests boomed. But there was no green revolution in Africa. By the early 1980s, Africa had fallen behind the rest of the world in food production. In the ten-year period ending in 1982, while global per capita farm output grew by 25 percent, per capita farm output in Africa fell by 14 percent. A number of factors worked against Africa. Soil quality was poor, and declining. Most of the new varieties of food crops were unsuited to Africa's climate. The civil wars that have been so much a part of postcolonial Africa's history also led to a significant decline in farm output.

Yet, African farmers are faced with the paradoxical situation that increasing output might mean decreased income in a market flooded with cheap imports. And, it doesn't matter how much you produce if you are not able get your product to market. "We have shown we can produce more, but sometimes we wonder, 'What's the use?'" a Ghanaian farmer told the *Wall Street Journal* in 2002.[3]

Increased agricultural output will not by itself improve Africa's food security given the legal, political, and infrastructural factors that seriously handicap African farmers. While Ghana, a nation of 20 million people, has had a turbulent history, it has been spared many of the problems that beset its neighbors: civil war, violent dictatorships, the ravages of HIV/AIDS (Ghana's infection rate is below 3 percent, the best in sub-Saharan Africa), the flight of white farmers (whose departure, under pressure, has triggered the collapse of Zimbabwe's farm output). In short, Ghana has every reason to reap the benefits of its farmers' best efforts. Yet it does not.

Ghana's Unharvested Wealth

Pineapples are plentiful in Ghana. They are sweet and juicy, a product of the country's lush coastal belt. Small landholders grow the bulk of the crop, which they sell in the cities or at roadside stands. Virtually no unprocessed pineapples are exported. One domestic bottler makes pineapple juice, but only for domestic consumption. Since the bottled juice is not pasteurized and of inconsistent quality, well-to-do locals prefer imported juice from South Africa, where processing and packaging meet international standards. There is virtually no pineapple canning in Ghana, so farmers must get their crops to city markets quickly. But the country's "feeder" roads from the countryside to the cities are poor, and the cost of truck transportation is high, partly because of the high cost of gasoline (Ghana has no domestic sources of oil). As a result, an estimated 40 percent of Ghana's pineapple crop rots. The rest of the crop, sold within the country, reaps only a fraction of what it might fetch in Western Europe.

The story is the same for coconuts. Men pushing wheelbarrows of coconuts are ubiquitous in Accra. For less than 15 cents, a vendor will hack open a ripe coconut with a machete, allowing the juice to be sucked through a straw or drunk as if from a cup. While most coconut men troll busy streets or stay in one place, a few enterprising souls go door to door. They pour the contents of three or four coconuts into used plastic water bottles, supplied by their customers, allowing fans of the juice to stock up. But even in a refrigerator, unprocessed coconut juice lasts only a few days. Ghana has no coconut juice bottler or processor, and thus no juice exports. Coconut meat, meanwhile, is often thrown away by vendors and consumers alike. While fish are dried in great numbers, virtually no one processes and dries coconut meat, which is nearly impossible to find in local markets (though the city's few Western-style groceries sell an imported variety, along with Brazilian chickens).

Rotting pineapples and discarded coconut flesh are symbols of another kind of food failure in Ghana, a failure of distribution and logistics that is rarely discussed when green revolution advocates bemoan sub-Saharan Africa's inability to match the production gains made by other parts of the world. Yet no green revolution is needed for Ghanaian pineapple and coconut growers to increase their incomes. Few large plantations are needed either. Ghana's pineapple and coconut growers need look no further than Kenya for inspiration as to what is possible in Africa. Kenya's fruit and vegetable growers export 30 varieties of fruit (including pineapples) and 27 different vegetables, mainly to Europe. The real value (adjusted for inflation) of these exports has quadrupled in the past 30 years as Kenyan farmers have benefited from the appetite of European consumers for fresh produce year round. Small landholders supply about half of the exported produce, which is sent by air freight out of the country, leapfrogging the biggest problem facing African producers everywhere: distance to market.

Kenya's success results from several factors, according to an IFPRI study released earlier this year.[4] First, there is a long history of specialty agriculture in the country, stretching back 100 years to the period of British colonization and continuing through the Second World War, when Kenyan agricultural concerns ramped up production to meet increased demand from Allied forces. In 1967, after independence, Kenya's new government formed the Horticultural Crops Development Agency to coordinate the industry and improve farm output and exports. Unlike elsewhere in Africa, where government bodies often act as the sole purchaser and set low prices for crops (a practice that stifles innovative production techniques and undercuts incentives for private investment), the Kenyan agency resisted the impulse to intervene in the market as a buyer.

Foreign investment was a major factor: in the 1960s, Del Monte, the global fruit-processing king, bought a pineapple processor and established a pineapple plantation. Other international companies followed. In the mid-1970s, Kenyan fruit and vegetable exports took off, rising by 8 percent annually from 1974 to 1990. These years saw a boom in Kenyan tourism, a byproduct of which was instrumental in the rise of Kenya's specialty exports: airplanes brought waves of vacationers from across Europe to Nairobi, and returned with cargo holds full of fresh fruits and vegetables. This access to foreign markets allowed small farmers to compete; in the 1970s, foreign-owned producers were virtually the sole exporters, but now small farmers now account for half of the production of such crops as French beans, mangos, Asian vegetables, and avocados. Finally, increased coordination between suppliers and European supermarkets has stimulated Kenyan agricultural production, as farmers now receive strong signals about what's hot and what's not with international consumers.

Kenya's experience suggests that farmers in Africa have an alternative path to success. By producing for international markets, farmers improve their incomes and strengthen their capacity to produce food for the domestic market. But as the case of Ghana illustrates, there are impediments to export-led growth that underscore the value of organizing more farm efforts around domestic needs.

The Cocoa Trap

Ghana's farmers cannot grow rice or raise chickens competitively and, overall, the country's reliance on imported food is a costly form of dependency. But in one important cash crop, cocoa, Ghana is a world leader.

For much of the twentieth century, cocoa was the backbone of Ghana's agricultural economy. As recently as 1981, one in every four Ghanaians worked in cocoa production, which claimed 50 percent of the country's cultivated acreage and accounted for about 60 percent of its total exports. Twenty years later, in 2001, cocoa still accounted for nearly one-quarter of Ghana's annual merchandize exports. Cocoa exports go mainly to the United States and Europe and are a major source of foreign exchange for the country. But profits from cocoa have always been limited by the effects of cartel-like behavior among cocoa buyers (suppliers to the powerful chocolate industry) who diligently work to depress prices on the world market.

While boom-and-bust price fluctuations have hurt Ghana's cocoa farmers, decades of misguided government intervention have likely hurt more. Ghana's first president, Kwame Nkrumah, who took power from the British in 1957 at the time of independence, nationalized the cocoa crop, forcing farmers to sell their beans to the government at roughly half the world market price. The government pocketed the difference, using the income to fund ambitious development schemes. Through cocoa profits, Nkrumah sought to build a robust industrial economy piloted by the state. The symbol of industrialization in Ghana was the Volta Dam, a massive electrification project that Nkrumah paid for by promising about half of the electricity to an American aluminum company (to be purchased at ultra-low prices). The project never led to the downstream industries envisioned—even 50 years later, the aluminum company was still using a large slice of the dam's electricity and importing essential bauxite inputs rather than mining deposits in Ghana and neighboring countries.

Nkrumah was deposed in a coup in 1966, which led to a long period of military rule and a relaxation of the government's socialist policies. The government's cocoa policy lived on, however. The artificially low cap on cocoa prices discouraged farmers from investing in the crop, which in turn undermined Ghana's position in the world market. In 1977, Ghana relinquished its lead in cocoa production to Ivory Coast, and in the early 1980s cocoa production fell dramatically—a response to the wretched prices paid by the Cocoa Board. By 1984, the board was paying farmers only 10 percent of the world price, and production had plunged to 150,000 metric tons, less than one-third of peak output. In later years, the cocoa crop recovered as the government realized the extent of its disastrous policies and pegged a higher price, but production did not return to its historic peak.

The shifting fortunes of cocoa illustrate the importance of government policy on agricultural performance. Since 2000, the market prices for cocoa have been healthy, and Ghana's government, seeking to stimulate production, has pledged to raise the cocoa farmer's share to 70 percent of the market price. In February 2003, it authorized a special bonus payment to cocoa farmers, totaling $10 million. According to official data, the farmer's share of cocoa sales, including the bonus, reached 68 percent of the market price in the last growing season.

The revival of Ghana's cocoa production underscores the rationale for export-oriented farm enterprises. But support for such enterprises should not come at the expense of producers who supply the domestic market. The path to food security should not be an either/or proposition. Export-led growth offers significant benefits to African economies, but only through a concentration on domestic food needs will African governments and farmers strike the necessary balance to help raise Africa out of poverty.

A Few Modest Actions

What can African governments do to better support farmers who produce for domestic markets? Ghana's farmers, like farmers elsewhere in Africa, face three basic problems: First, what food they grow too often cannot reach willing buyers because of poor roads and the high cost of transport. Second, technical assistance is nearly nonexistent; farmers who want to improve their methods have nowhere to turn for instruction. Finally, land ownership in rural areas is largely controlled by tribal authorities. Since many farmers do not own their land, they are reluctant to make long-term improvements to it (or are forbidden from doing so). The problems of transport, know-how, and land tenure combine to depress farm output and income, and encourage the migration of people to cities. This creates a vicious cycle: as farmers leave the land, food production declines further.

These three problems afflict farmers across sub-Saharan Africa. While African governments lack the resources to dramatically lift farm output and improve the lives of farmers, there are things they can do. They can shift road-building priorities so that neglected farming regions get a share of new and improved roads. They can reform land-ownership rules so that people who work the land can gain legal title to it over time. And they can support effective farm-assistance organizations and producer associations or cooperatives.

While a green revolution remains an elusive dream in Africa, this does not mean that African countries have no choice but to become ever more dependent on imports and aid from abroad for their basic food needs. A few, relatively modest, changes in government policies could greatly improve the conditions for Africa's farmers. What is needed is the political will to help farmers, and the awareness that export-led growth alone cannot satisfy Africa's food needs. ●

Notes

1. Steven Haggblade, ed., *Building on Successes in African Agriculture* (Washington, D.C.: International Food Policy Research Institute, 2004).

2. "The Pretoria Statement on the Future of African Agriculture," Conference on Successes in African Agriculture: Building for the Future (December 2003), in Haggblade, *Building on Successes in African Agriculture.*

3. Scott Kilman and Roger Thurow, "Diminishing Returns: Africa Could Grow Enough to Feed Itself; Should It?" *Wall Street Journal*, December 3, 2002.

4. Nicholas Minot and Margaret Ngigi, "Are Horticultural Exports a Replicable Success Story? Evidence from Kenya and Côte d'Ivoire," paper presented at the Conference on Successes in African Agriculture: Building for the Future, Pretoria, South Africa, December 1–3, 2003, www.ifpri.org/events/conferences/2003/120103/papers/paper7.pdf.