



FoodTrade

East and Southern Africa

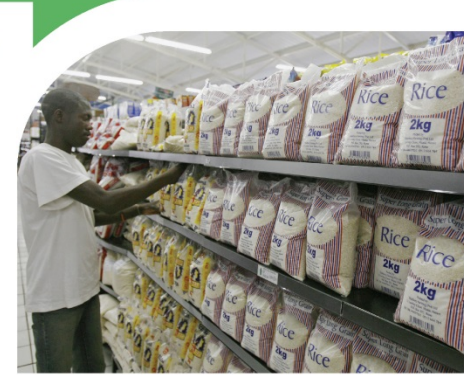
Facilitating regional trade in staple foods

www.foodtradeesa.com

Role of Policy in enhancing structured trading systems: The Case of G-SOKO

3rd Annual Agriculture Policy Conference (1st to 3rd March 2017)

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FoodTrade ESA is managed by



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Overview

- a) Need for Structured Trading in EA.
- b) FoodTrade in Structured Trading.
- c) Key four policy constraints.
- d) Addressing the four policy constraints.
- e) Final takeaway points

Need for Structured Trading in EA

- **Climate change:** 2014 ND-GAIN Index.
- **Demographics:** 145.5 million in 2014 (Yearly growth rate at 2.6%).
- **Food insecurity:** Global Hunger Index – Eastern Africa is food insecure. Current drought & import dependence.
- **Food Flows:** Seasonal and productivity variation.

FoodTrade in Structured Trading

FoodTrade Vision

Unlock food trade across the region to get food to more people.

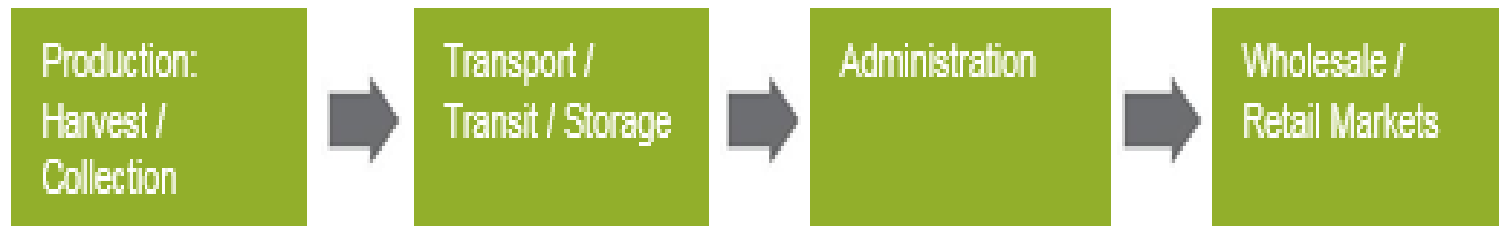
4 Staples

Maize, Beans, Rice and Soy Beans

FoodTrade in Structured Trading

- FoodTrade ESA works through **Challenge Funds** and **Development Funds**.
- **G-Soko**: Grant awarded to EAGC under the Development Fund (GBP 4,247,509) to develop an automated structured trading system.

Structured Trading in the Grain Market



1. Post harvest grain management.
2. Warehouse receipt system.
3. Stable policies and regulations.
4. Automated structured trading platform.

FoodTrade in Structured Trading

Our policy objectives:-

- Harmonize and implement staples grades and standards across EA.
- Reduce post-harvest grain losses through improved storage technologies.
- Market Information Systems (MIS) to support efficient market transactions.
- Improve the predictability of rules governing cross-border trade of staple foods.
- Benefit the value chain players, especially small holder farmers.

Key Four Policy Constraints

- Government intervention in staples market.
- Lack of/insufficient regulatory support for the warehouse receipts system.
- Variations in grain grades and standards.
- Unpredictability in the policy and regulatory environment.

Addressing the Four Policy Constraints

PPDs & Advisory Forums

- Organize PPDs to gain insight on policy needs (rice and soya).
- Establish Advisory Forums in Kenya, Tanzania, and Zambia.
- PPDs foster ownership.
- Advisory Forums assist in gaining access to national and regional decision makers.

Addressing the Four Policy Constraints

Lifting Tanzania Export Ban



- Government intervention.
- Tanzania export ban affected the activities of some of our grantees.
- Engaged, with the assistance of our Tanzanian Advisory Forum members, to have the ban reviewed.

Addressing the Four Policy Constraints

Institutions & Supportive Regulations

- Support the establishment of the Tanzania Mercantile Exchange.
- Supporting a reliable MIS system in the region.
- Warehouse certification/aggregation centers.
Link WRRB certification with EAGC's.
- Through EAGC, provide input on the Warehouse Receipts Bill in Kenya.

Final Takeaway Points

- Aim for adoption at the grassroots and governance level. Ownership = lasting adoption of structured trading.
- Structured trading = transparent markets/ better prices across the value chain.
- Focus on policy efforts enabling transparency in pricing and regulations.

