

EVALUATION OF SANITARY AND PHYTOSANITARY (SPS) TRADE POLICY CONSTRAINTS WITHIN THE MAIZE AND LIVESTOCK VALUE CHAINS IN WEST AFRICA

SUMMARY BRIEF 3: MAIZE VALUE CHAIN

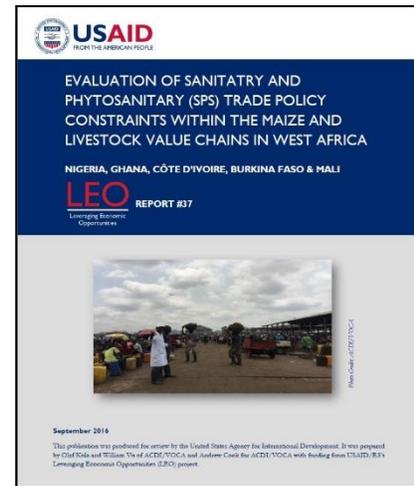
USAID’s Bureau for Food Security commissioned the study *Evaluation of Sanitary and Phytosanitary (SPS) Trade Policy Constraints within the Maize and Livestock Value Chains in West Africa* through the Leveraging Economic Opportunities (LEO) project¹. The study is one of three regional assessments carried out in East, Southern, and West Africa regions to identify key SPS-related constraints to trade within priority Feed the Future value chains, in order to gauge opportunities for potential SPS-related investments. This West Africa study covered Nigeria, Côte d’Ivoire, Burkina Faso, Ghana, and Mali. This brief identifies and details major SPS issues in the maize value chain in West Africa.

SPS TRADE CONSTRAINTS WITHIN THE MAIZE VALUE CHAIN

Low maize productivity appears a driver of indifference to SPS compliance. Low yields prevail throughout West African states barely reaching 2.0 tons/ha. Regional maize production does not satisfy consumption. Yields remain low despite the existence of hybrids developed by national research agencies, alone or in collaboration with IITA and CIMMYT, and by multinational seed companies. With the exception of Nigeria and Burkina Faso, government institutions have failed to create a market for domestically developed hybrids and have simultaneously erected multiple non-tariff barriers to multinational seed companies. Food security is a higher national priority than SPS issues, especially in the context of climate change. As one senior official stated: “Empty bellies do not complain about quality.”

National protectionist agendas impede passage of ECOWAS seed policies. Domestic seed sectors exist in each member country of ECOWAS. While the former are largely inefficient, national policies protect them and thwart the emergence of private regional seed markets. In the maize market, nationalist alliances have persuaded government to erect barriers to entry for multinational seed certification and for multinational seeds. Meanwhile the farmer pays the opportunity cost of low productivity. This is a political problem.

Exporting regional food processors and multinational companies serving regional markets have the highest concern for SPS compliance. Regional exporters must comply with the World Trade Organization (WTO) SPS rules; therefore they must insure that their inputs comply. Multinational food and beverage companies are unwilling to risk loss of global markets from failure to comply at the national level. These two groups of firms are poised to demand greater attention to the SPS agenda.



¹ For more information on LEO, and to access the full studies for East, West, and Southern Africa, visit www.microlinks.org/leo.

The absence of regional standards inhibits trade. Only Ghana has grades and standards for maize. The membership association, the Ghana Grains Council, conducts training and compliance inspection as part of its warehouse receipting program. Without regional standards, multinational companies and buyers in West Africa and internationally cannot ensure a consistent and reliable quantity and quality of maize. This makes elevates the transaction costs to inspect maize, making buyers wary to purchase.

Misuse of pesticides and fumigants proves a significant SPS hazard, though greater attention is paid to excess residues on export commodities. Causes include, but are not limited to:

- Late application of pesticides leaving residue in maize
- Counterfeit pesticides may contain banned substances or have poor controls of concentration resulting in misapplication and potential side effects
- Excessive dosing of pesticides in the field and fumigants in storage
- Improper disposal of approved pesticides and or fumigants

Maize SPS hazards carry into the poultry subsectors. Maize comprises sixty to seventy percent of poultry feed by weight. Mycotoxins and excessive pesticide residues in maize concentrate in poultry organs result in increased bird mortality and morbidity. Mycotoxins contamination and excessive residues consumed by poultry are subsequently passed onto humans, and thus pose food safety and public health risks.

INVESTMENT OPPORTUNITIES

Given these findings, the table below identifies priority and general investments to address SPS issues pertinent to the maize value chain. These investments to remove SPS barriers to trade cover the public and private sector. A more detailed explanation of the investments can be referenced in the report.

	Investment	Target countries
<i>Priority</i>	Conduct national testing on aflatoxin bio-pesticide Aflasafe BF 01. The latter was developed by INERA in collaboration with IITA.	Ghana, Burkina Faso, RCI.
	Support the development of private commercial seed markets. This requires conditional licensing of multiplication and distribution rights of public domain seed to firms with the capacity to meet conditions.	All ECOWAS countries except for Nigeria which already has done this.
	Harmonise national seed policies with the ECOWAS framework.	ECOWAS countries
<i>General</i>	Build processor awareness of mycotoxin hazards and facilitate commercial distribution of mycotoxin test kits.	All maize-importing ECOWAS countries
	Develop a regional Maize Lethal Necrosis (MLN) prevention strategy and rapid response strategy for MLN containment in the event that the disease manifests in the region.	All countries but especially Niger and coastal countries
	Work through bilateral programs to train farmers and aggregators in the proper use and disposal of pesticides, aflatoxin controls and grain-storage fumigants.	Maize and, more generally, cereal producing countries.

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