



Deutscher Tropentag, October 11-13, 2005, Hohenheim

“The Global Food & Product Chain—
Dynamics, Innovations, Conflicts, Strategies”

Global Rice Trade: Dynamics, Policy Conflicts and Strategies in Africa

PATRICK KORMAWA, ALI TOURE, ALIOU DIAGNE, M. KEBBEH

Africa Rice Center (WARDA), Benin

Abstract

Globally, about 6 % of the total rice produced enters the international market, indicating that most rice is consumed in the producing countries. The rice export market is thin and concentrated, with Thailand, Viet Nam, India, China, Pakistan, the USA, Australia, Italy, Uruguay, Argentina, and Spain as major exporters. The nature of the international rice market provides a platform for highly variable prices, which are largely influenced by policy and weather conditions. Global rice trade policies are becoming increasingly liberalised following the WTO, EU and World Bank trade agreements. These changing policies have direct impact on rice production, consumption and trade in African countries.

The international rice trade policies can be characterised by importing and exporting countries. While importing countries pursue market-stabilising policies, exporting countries pursue policies to promote rice exports. Strategies like subsidies, credit guarantees and state-controlled trading monopolies, bans or quotas on rice imports, etc. are among policy strategies implemented to isolate their domestic markets from external competition and to boost exports.

African countries, particularly those in SSA are net rice importers spending close to 1.4 billion US dollars annually on rice imports, accounting for 19 % of the continent's total grain import bill. Given this increasing rice consumption trend in Africa, rice self sufficiency objectives continue to be pursued as a means to achieve food security. In the major rice consuming countries, rice is a staple and perceived as a 'political crop'. Therefore, governments are sensitive about price effects on producers and consumers. Thus, governments intervene to protect producer and consumers from large price fluctuations.

WARDA and its partners are using science to develop technologies and knowledge for application along the rice production to market chain. Among the most recent successes, is the release of the 'New Rice for Africa' (NERICA). This paper analyses the global rice trade dynamics and policies; and draws lessons for promoting rice production and marketing in Africa. It also highlights the programs and strategies that are promoting NERICA and estimates expected impact, the challenges and new opportunities for achieving rice self sufficiency in Africa.

Keywords: Africa, marketing, NERICA, policy, rice trade