



SDC A+FS Network

Thoughts for Food

A series of light & informal events on food-systems related news



WELCOME !

6th March 2024

What's being offered today?

1. Introduction
2. **Empowering African Producers & SMEs Through Stronger Enforcement of Competition Laws and Policies** – Chilufya Sampa, Shamba Centre
3. Network space
4. News & events
5. **Promoting Competitive Markets Through Effective Regulations: CUTS Interventions in Africa** – Sajeev Nair, CUTS International



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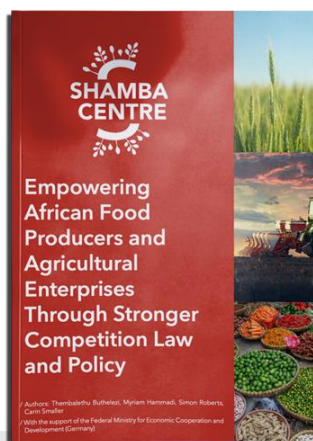
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Empowering African Producers & SMEs Through Stronger Enforcement of Competition Laws and Policies

Chilufya Sampa, Shamba Centre

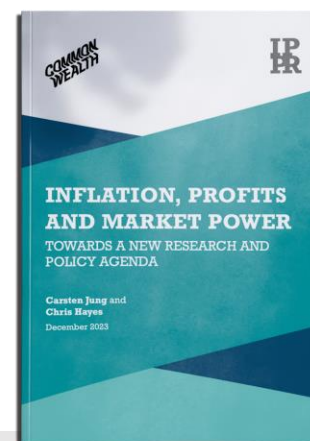
THE REPORTS TO READ IN 2024!



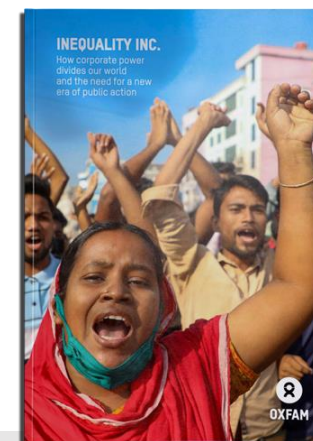
SHAMBA CENTRE FOR FOOD & CLIMATE



BALANCED ECONOMY PROJECT & OTHERS



IPPR & COMMON WEALTH



OXFAM

WHY NOW?...

Because of recent evolutions of global antitrust/competition law



A new Digital Markets Act
Avoiding the rise of new
gatekeepers



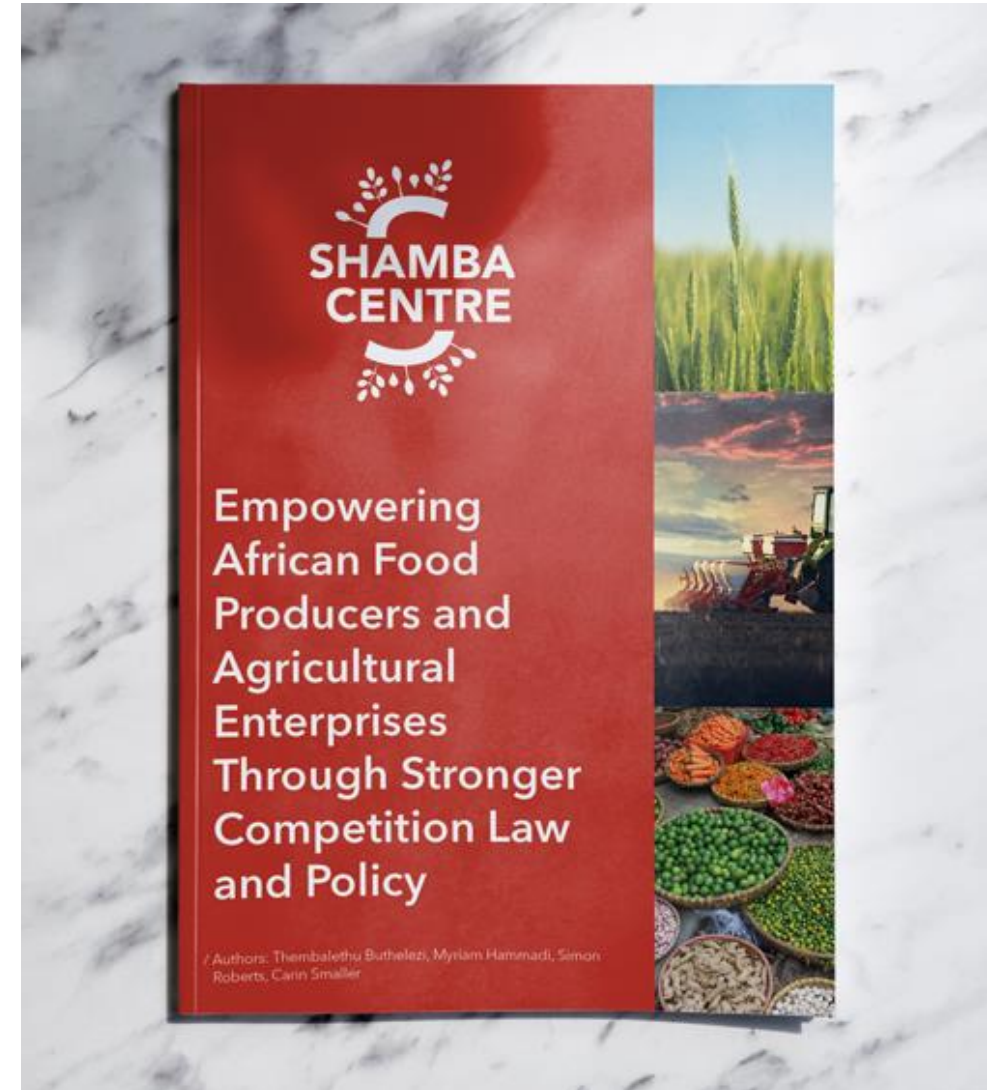
Increased regulations targeting Big
Tech, Big Pharma and Big Ag
"full and aggressive enforcement for
antitrust laws"
In ag: 89\$ million to finance the
startup and expansion of
independent meat processors.



**And in developing
countries?**

PURPOSE OF THE RESEARCH

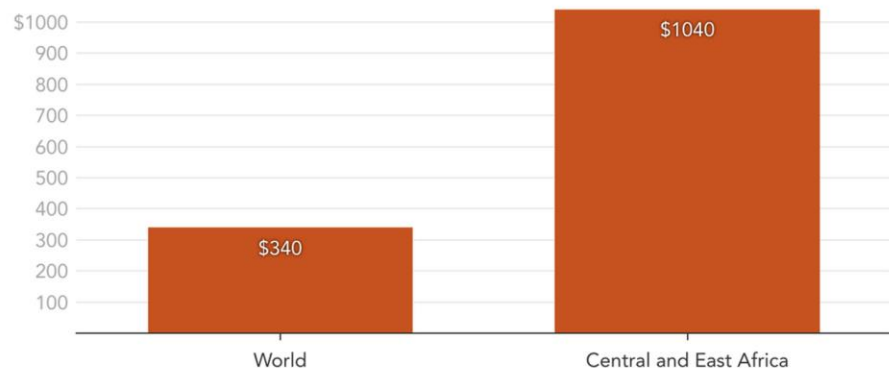
- Confirm that market concentration in African agri-food systems is harming producers, MSMEs, and consumers.
- Review the current state of competition law and policy in Africa.
- Propose a reform agenda for African competition authorities to empower producers and MSMEs to reduce poverty and hunger.



FINDINGS SHOW CONSEQUENCES IN TERMS OF EXPLOITATION & UNFAIR BARGAINING POWER

Central and Eastern Africa prices for fertilizers are 3 times higher than world prices

Urea fertilizer prices, January - July 2023



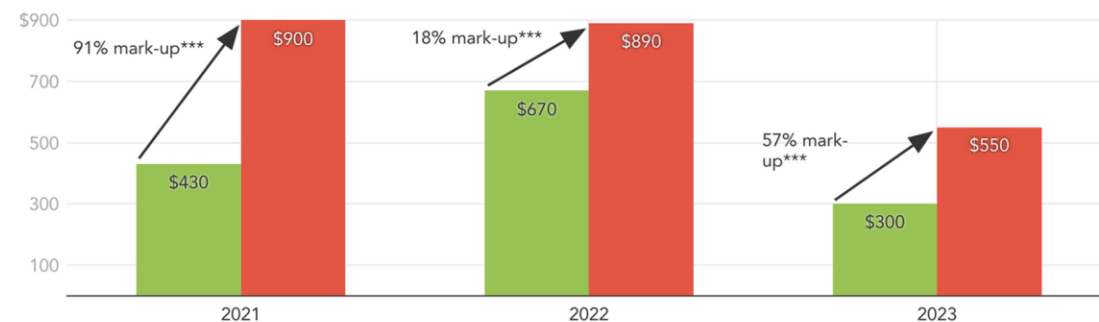
Cartels

fertilizer, silo storage and trading, poultry, maize milling, wheat milling, bread, dairy

Soybean prices in supplying countries, at harvest, compared with average prices in buying countries

Prices at harvest in Zambia, compared with prices at point of sale in Kenya and Tanzania

■ Bulk price in Lusaka at harvest, annual average* ■ Bulk price in Dar Es Salaam and Nairobi**, annual average*



Suppressing farmer prices & charging excessive mark-ups - soy feed marked up to 91% on top of producer prices

EXAMPLE OF POULTRY, FEED AND BREEDING STOCK



FROM WAVE OF INTERNATIONAL MERGERS, **NOW JUST TWO GLOBAL SUPPLIERS OF BREEDS:**

- Control access around the world
- Collusion: in USA, Zambia...
- Poultry producers facing high prices, constrained supply & tied-in feed

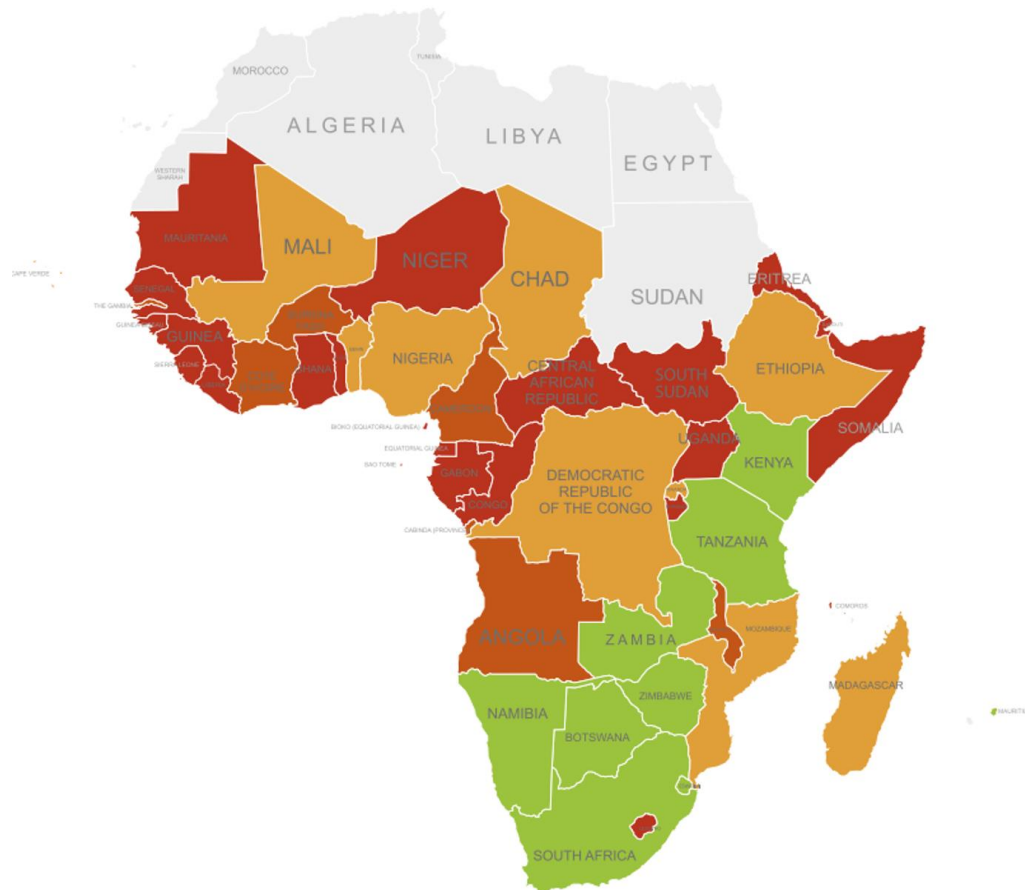






INTEGRATED INTO FEED, FROM SOYBEANS AND MAIZE:

- Farmers receiving low prices for crops
- High prices charged for feed to poultry farmers
- Undermining value chain development & inclusion

CURRENT STATE OF COMPETITION LAW & POLICY IN AFRICA

Clustering countries in sub-Saharan Africa based on status of competition regime



-  Cluster A. Established institutions with strong enforcement history and capacity (>10yrs)
-  Cluster B. Established competition authorities with a limited enforcement history (5-10 yrs)
-  Cluster C. Nascent competition regimes (<5yrs)
-  Cluster D. Countries without national laws or institutions

5 ACTIONS THAT CAN MAKE A DIFFERENCE

- Urgently scale-up support to the nine mature African competition authorities.
- Build the capabilities of the seventeen young African competition authorities.
- Prioritize regional African competition institutions, cooperation, and enforcement to build a continent-wide response.
- Mobilize political support among affected constituencies in the country, such as farmers' cooperatives, associations of MSMEs, and consumer groups.
- Introduce and reform existing laws, policies, and institutions in the longer term to ensure flexible and responsive national and regional competition regimes.



WHO CAN HELP?

IOs



EXPERT



NETWORK



REGIONAL AUTHORITIES



EXPERIENCED AUTHORITIES



DATA & ANALYSIS:

A MARKET OBSERVATORY TO SHINE THE SPOTLIGHT ON
WHAT IS HAPPENING IN MARKETS

Market Observatory Tool will:

- Work hand in hand with competition authorities in African countries to **collect data on markets**
- **Monitor** key markets and value chains
- **Conduct research** to inform investigations, inquiries and advocacy campaigns



CCRED
CENTRE FOR COMPETITION,
REGULATION AND
ECONOMIC DEVELOPMENT

African Market Observatory has conducted price tracking of key food markets

Maize

Soybean

**Fertilizer
(urea and
DAP)**

Rice

ADVOCACY:

COMPETITION AUTHORITY OF KENYA: INQUIRY INTO ANIMAL FEED FOR POULTRY, DAIRY



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The Competition Authority of Kenya is conducting a market inquiry into the animal feeds value chain in Kenya in order to better appreciate and address factors that may be affecting competition, growth and sustainability in this critical sector of our economy.

Some objectives of the inquiry include assessing & understanding the structure and conduct in the animal feed market, including pricing of raw materials and the final product, market shares & concentration, as well as barriers to entry for small feed producers.

The inquiry will also map out demand and supply flows along the value chain, including factors that may be affecting flows of feed constituents, including soybean, maize, sunflower, from the COMESA and EAC regions.

Members of the Public with relevant information may submit oral or written submissions to the Authority by 5PM on Friday 20th October, 2023. Submissions can be made through info@cak.go.ke or the Public Portal <https://lnkd.in/drUEErV>

THE COMPETITION ACT
(No. 12 of 2010)
ANIMAL FEEDS MARKET INQUIRY

IN PURSUANCE to the provisions of section 18 (5) of the Competition Act, 2010 ("the Act") and in the exercise of the powers conferred on the Authority by section 18 (1) (a) of the Act, the Competition Authority of Kenya is carrying out a Market Inquiry into the Animal Feeds market.

The key objective of the market inquiry is to assess the structure, market structures, market outcomes, and other factors affecting competition in markets along the animal feed value chain and recommend interventions that will support sustainable and competitive markets for a robust animal feeds sector.

The specific objectives are to assess—

- (a) the prices, costs, and quantities produced, supplied, purchased at different levels from inputs supply to production and sale of different animal feed products;
- (b) the market shares, concentration, ownership relationships, and other factors affecting competition in the animal feed market; and

arrangements, including licensing and other supply arrangements which may affect the sourcing and supply of animal feed including breeding stock and animal feed;

trade flows of feed constituents, including maize, soy and derived products, and what may be affecting the flows of feed constituents in the Common Market for Eastern and Southern Africa (COMESA) and East Africa Community (EAC) Regions, taking into account standards, permit requirements, in light of the existing trade agreements and

the flows of demand and supply of products and services along the value chain for the main animal feed products and services. In conducting the study, the Competition Authority of Kenya shall hold such number of meetings and Key Informant Interviews (KIIs) in such places as such times as it may consider necessary for the proper discharge of its functions; and

may receive views from all stakeholders through oral or written submissions from any person with relevant information.

Members of the public with relevant information are invited to submit oral or written submissions to the Secretariat within two weeks of the date of publication of this notice.

ADVOCACY:

COMPETITION AUTHORITY OF ZAMBIA
INQUIRY INTO POULTRY VALUE CHAIN STARTING FEB 24



INTERNATIONAL ADVOCACY



International
Competition
Network

ICN special project on competition issues in agri-food markets with a focus on developing countries (led by Kenya & South Africa) - survey underway

COOPERATION:

GO BEYOND THE NATIONAL INTERESTS AND ADVANCE REGIONAL & CONTINENTAL EFFORTS IN A PARALLEL & MUTUALLY REINFORCING MANNER



Competition issues can be tackled by an effective regional body: no need to wait for national regimes

Most dominant companies are likely to be regional/ international

Many competition issues are: replicated across countries by the same dominant companies; or cross-border in nature

Regional enforcement required alongside national authorities and actions: COMESA, AfCFTA, ACF ... are already undertaking work in this direction

COMESA COMPETITION COMMISSION:

FERTILIZER MERGER REVIEW



Effective regional enforcement and cooperation between national authorities require:

COOPERATION: sharing views & studies

COORDINATION: collaborate on investigations



سابك
Sabik

ETG

Assess

legal tests

processes

merger effects

»»» robust merger review

CONCLUSION

- »» Africa's food system is being held back by anti-competitive behaviors
- »» Small-scale producers, SMEs & consumers are most negatively affected

Three key steps can make a difference in the next 3-5 years:

- »» **Advocacy by authorities:** technical and legal assistance and capacity building support tailored to each country's need and realities
- **Regional cooperation:** Given the cross-border nature of the anti-competitive behavior, regional action & enforcement is the only effective way to achieve results
- **Data & analysis:** without data, it is impossible to identify where the anti-competitive behavior is happening (cf. work by AMO).

THANKS



Carin Smaller
Myriam Hammadi
Thembaletu Sithebe
Simon Roberts



February 2024





SAY HI!

Let's quickly reconnect

You'll be randomly assigned to a small group.

Take a minute to say hi, introduce yourself, share any reaction to what has been discussed up to now !



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WHAT'S NEW?

Two new developments in food systems and nutrition data management

UN Statistical Commission has approved a new statistical domain on food security and nutrition to support a concerted approach.

FAO has created a new domain "[Food and Diet](#)" on the [FAOSTAT](#) portal, presenting statistics on the availability and consumption of foods and 17 nutrients.



United Nations
Statistics Division



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25 YEARS



FiBL & IFOAM – ORGANICS INTERNATIONAL

THE WORLD OF
ORGANIC AGRICULTURE
STATISTICS & EMERGING TRENDS 2024

World of Organic Agriculture 25th edition

The book provides the latest statistics and trends in organic farming.

The global organic farming area increased by over **20 million hectares in 2022**, reaching 96 million hectares.

[Access the yearbook](#)



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Upcoming learning event 7th March

The event entails a **2-hours interactive session** alternating short presentations, practical experiences on land tenure and SLM, technical presentations, and participants' reflections on implications at the contextualization level.

It will be held in English with French translation.

Learning event

Sustainable land management practices and tenure in the Sub-Saharan Africa context: experiences, challenges and opportunities

Date: 7 March 2024
Time: 10:00 AM (CET)
Online event (Zoom)

[Register here](#)

Upcoming online event 8th March

“Cities and sustainable, resilient and inclusive food systems”

How does multi-level governance help secure urban food security, the right to food and healthy diets?

Date : March 8, 2004

Time: 10:00 am (CET)

Location: Online



[Register here](#)



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Trip around RIO

Tackling the triple planetary crisis - Solutions for sustainable development



SDC Network **Climate, DRR & Environment**



Network
Agriculture & Food Systems

SDC Network **RésEAU**
B&E

- First session, Thursday 21st March, 10:00-12:00 (CET) - **Framing the crises, global frameworks and funding vehicles**
- Second session, Wednesday, 24th April, 10:00-12:00 (CEST) - **Experiences from the fields, good practices, gaps.**
- Third session, Thursday, 30th May, 10:00-12:00 (CEST) - **Going practical - how to's, tools and way forward.**



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Promoting Competitive Markets Through Effective Regulations: CUTS Interventions in Africa

Sajeev Nair, CUTS International
kss@cuts.org

www.CUTS-International.org : Vision and Mission

- Consumer Unity & Trust Society (CUTS) launched 1983 as a rural development communication initiative in Rajasthan
(For details visit www.CUTS-International.org)
- Today: multi-pronged agenda on Vision of “**Consumer Sovereignty**” and a Mission of “**consumer sovereignty in the framework of social justice, economic equality and environmental necessity, within and across borders.**”
- Important is also the concept of “**Consumer Welfare**”. Consumer is defined in a broad sense.

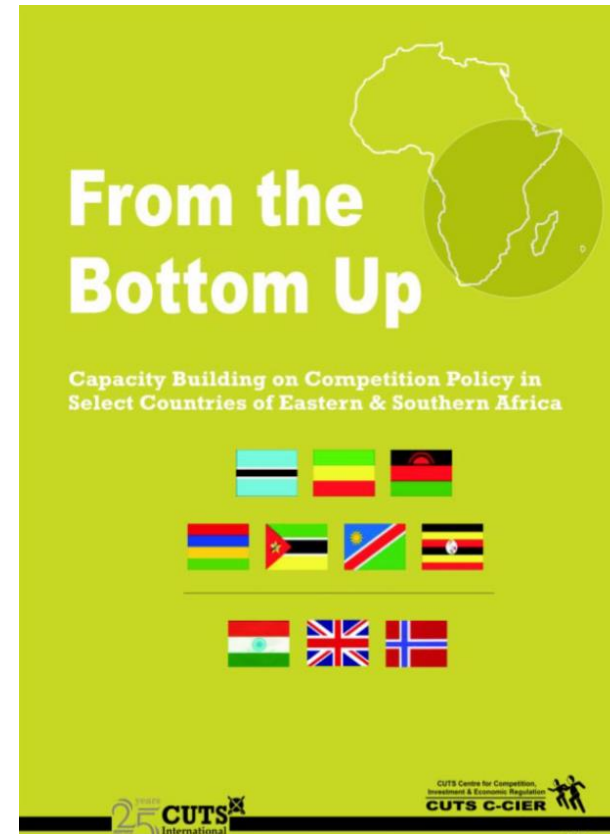
Consumer Welfare – Common Challenges In the Developing World

- Consumer welfare is an agenda of almost all consumer organisations.
- Major constraint is competition for declining natural resources and governance deficits. Not least food, energy and water security.

Competition, Effective Regulation and Investment regime

- Well-functioning markets is a pre-condition for 'Consumer Welfare'
- Enabling investment regime is essential for optimisation of competition over time.
- Effective competition law and policy regime + welfare maximising sector regulations + an enabling investment regime are necessary for consumer welfare.

Documentation on 7 Up Models



Targeted CUTS Interventions in Africa: 7 Up Project Series

- 1999 collaboration with UNCTAD and Consumers International
→ training programme on Competition Policy and Law for consumer organisations.
- 2000-2023 Kenya, SA, Tanzania, Zambia, India, Pakistan, Sri Lanka
→ Comparative study of competition policy and law
- 2005-2007 S+E Africa
(Botswana, Ethiopia, Malawi, Mauritius, Mozambique, Namibia, Uganda)
- 2008-2010 W Africa
(Burkina Faso, The Gambia, Ghana, Mali, Nigeria, Senegal and Togo)

The 7Up experiences

- The **effectiveness of competition law** depends on the extent to which the law has actually evolved in a country in tandem with **socio-economic and historical developments** in that country.
- Acceptability and ownership of the law among the stakeholders is necessary - possible only if expectations and concerns considered while drafting, implementing and revising, and capacity is built up to the point where they can effectively participate in the enforcement process. → **bottom up approach**
- **Public interest NGOs & consumer groups**, can be strong allies for competition policy and law

What is 7Up model?

- The model involves **partnering with local research and advocacy institutions** in project countries, engaging a wide range of local stakeholders including the business, the polity, consumer groups and other NGOs, media, academia, lawyers, etc. in national reference groups,
- Carrying out perception surveys, and undertaking several research, **advocacy and capacity building activities.**
- In addition to the critical role of coordinating and maintaining the sustainability of the project, CUTS provides required expertise to the target beneficiaries. Flexibility is strongly retained to ensure that the demands and most urgent needs of the beneficiaries be met, while complementarity and synergy with other initiatives are kept in mind.

How the 7Up model worked

- In each country MoU signed with leading civil society organisations as partners, (most without prior experience in competition and regulation)
- Research institutions, consumer organisations, University departments and NGOs as partner
- Enhancing partners' capacity to comprehend competition and regulatory issues better
- Enable them to pioneer competition research and advocacy in select sectors
- → With this project partnership, many organisations in Africa have shown keen interest in continued pursuance of competition policy and law

promoting a healthy competition culture in the developing world- as Key challenge

- CUTS advocacy in promoting a healthy competition culture in the developing through an evidence based policy advocacy process has shown some credible results.
- CUTS tried to design tailor-made interventions (involving multiple stakeholders) for competition reforms in regions of Asia and Africa that require substantial amount of technical and capacity building support.
- Both evolving an improved competition and regulatory regime, and also enhancing the understanding of various stakeholders on competition policy and law issues, in the following

Reference and Weblinks

- https://cuts-ccier.org/pdf/7Up4Project_Overview_Note.pdf
- [Evidences of Impact of CUTS Competition Projects on Citizens' Welfare Across the Developing World](#)
- [7Up Initiative: Civil Society Perspective on Competition Advocacy](#)





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A+FS ANNOUNCEMENTS

- The presentations from today will be available on the Shareweb:
<https://www.shareweb.ch/site/Agriculture-and-Food-Security/CUG/Pages/thoughts-for-food.aspx>
- We'll be back with more **Thoughts for Food**, on **8th May 2024 – en français!**
- Share news, topics and ideas with us!



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Before you leave...

What do you think about this meeting?

<https://forms.office.com/r/k1UaAgznCb>



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Thank you!
Stay well, stay safe and stay connected!