

# Food-aid policies distort local markets

Surplus crops produced by small-scale farmers in at least three provinces of Mozambique are in danger of rotting in storehouses because there is no local market for them, according to a report by the Mozambique News Agency (AIM).

These provinces have plenty of hungry people, but they do not have the money to buy the surpluses, and the foreign donors of food aid appear to prefer to ship their own grain in from the other side of the world rather than buy locally, AIM laments.

More than 20,000 tonnes of surplus, mainly grain, from the 1993 harvest is still in the hands of small-scale farmers in the northern province of Nampula. Provincial Governor Alfredo Gamito has declared that traditional markets for Nampula's surpluses simply are not functioning.

## Breadbasket before the war

Prior to the war, Nampula supplied for the many thousands of workers on the state-owned tea estates in the neighbouring province of Zambezia. But during the war, the tea sector was decimated, and Renamo guerrillas burned down many of the processing plants.

The Nampula authorities can think of no solution other than to reduce the area cultivated with maize or beans or to sug-

gest to small-scale farmers that they switch to oilseed crops, the AIM report points out.

"It doesn't make sense to grow a crop when the surplus brings no advantage to the peasants," Governor Gamito observes. He suggests that farmers grow sesame seeds instead, since they could be

exported. He also points out that the producer price for sesame seeds is currently higher than that for cotton.

## Similar problems in Tete

In the province of Tete, similar problems are occurring, although on a lesser scale. In that province, 2,000 tonnes of crops were purchased by traders in early 1993 but are still in their warehouses, since few people in Tete have the money to buy them.

An unknown quantity of maize is still in the hands of farmers. The state marketing board Agricom is unable to buy the farmers' surpluses, since it is not allowed to borrow sufficient money from the banks because of IMF-imposed credit ceilings. The Tete delegation of Agricom has been refused credit, even though it has paid off all past debts. The Provincial Trade Director has asked the authorities in Maputo to review the situation and to ensure that Agricom can borrow the money it needs to do its job. According to him, foreign organisations working in

Tete had promised to buy the surplus rather than import food aid.

However, so far, only the Danish development agency Danida has honoured this promise. The Provincial Trade Director expresses the hope that the UN World Food Programme (see also this month's Transport & Telecoms section on page 38), which has promised to purchase 25,000t of Mozambican grain, will make some of these purchases in Tete province. He warns that unless something is done quickly, Tete farmers will not produce maize in 1994.

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