

# How to store and sell more stuff

## Poor places need more than seeds, fertiliser or even food science

**I**F FOOD aid is epitomised by a single image, it is that of neat bags of grain, stamped with the Stars and Stripes and labelled a “gift from the American people”, being unloaded in some benighted place. In a long-established practice, USAID buys food from American producers and then gives it to charities who sell the produce on the markets of indigent countries, and in turn use the proceeds to finance their anti-poverty work.

This method has its detractors, who say that sales of American food depress local markets; in theory at least, all sales should be calibrated to avoid that effect. But in a switch which might help to parry those critics, USAID is now putting more emphasis on helping farmers in recipient countries to harvest, store and above all

sell their own food. Many of the changes now being encouraged have no relation to food production as such; they have to do with the ways markets are organised, credit is disbursed and laws are enforced.

So far, three African countries—Senegal, Ghana and Nigeria—have undergone an exercise known as AgCLIR in which USAID takes a hard look at the non-agricultural factors that hold back the successful production and sale of food. These assessments are made at the discretion of local USAID bureaus, but they are being strongly encouraged by the agency’s head office in Washington, D.C.

Among the early findings: in many places, the supply of inputs is unhealthy monopolised. Also, farmers find it hard to raise loans or enter contracts because there is no registry of assets, or proper system of commercial law, which would give confidence to lenders and buyers. So local capital flows into government bonds when it could go into farming, says Russell Brott of Booz Allen Hamilton, a consultancy which advises USAID.

Suspicious types may think AgCLIR is just a way of testing the friendliness of poor countries to American investors; but the scope is wider. Senegal, for example, is friendly enough to foreign investors, agricultural and otherwise. But as an AgCLIR report usefully spells out, it makes life pointlessly hard for its own farmers and food traders: “undue police interference and on-the-road shake-downs” deter the internal transport of food. Such curable woes help explain why a country where 75% of people work in the food business still has to import 70% of its food supply.



A symbol of succour