UMSAEP 2015 report on activities of the UM-UWC Linkage Program on September 6-18, 2015

Kateryna Schroeder, Research Scientist

Food and Agricultural Policy Research Institute, University of Missouri

1. Background

The University of Missouri through the Food and Agricultural Policy Research Institute (FAPRI) has been collaborating with the South African Bureau for Food and Agricultural Policy (BFAP) at the University of Pretoria to build agricultural policy analytical capacity in South Africa. The relationship has been partially enabled by the academic exchange funded by UMSAEP in previous projects over the past decade.

In 2012, BFAP played an important role in establishing of the Regional Network of Agricultural Policy Research Institutes (ReNAPRI), comprised of the national agricultural policy institutes in DRC, Kenya, Malawi, Mozambique, South Africa, Tanzania, Zambia, Uganda and Zimbabwe. The mission of ReNAPRI is to support collaboration amongst national agricultural policy research institutes in South-East Africa and produce sustainable and high-quality research, outreach and capacity development that promotes national and regional agricultural policy objectives (ReNAPRI, 2015). Among other things, the Network has been working on creating a number of agricultural econometric and simulation models to analyze agricultural commodity markets in the respective countries. These models are used to generate future scenarios of the production, consumption and prices of selected agricultural commodities under various macro and policy assumptions. For the past two years such outlooks have been presented at the ReNAPRI annual regional stakeholder conference, and have attracted a large number of stakeholders from the public and private sector. FAPRI-MU team has been supporting ReNAPRI work through capacity building efforts in partial-equilibrium modeling and agricultural policy analysis. As an example, in 2014-15, FAPRI-MU team organized two training workshops in South Africa and Tanzania for the ReNAPRI counterparts.

2. Objectives of the visit

The objectives of this visit built on the FAPRI’s involvement in ReNAPRI policy analysis capacity improvement. Specifically, there were three objectives for the visit that took place on September 6-18, 2015:
Objective 1. Initiate a comprehensive analysis of maize price transmission patterns in Easter and South Africa region as well as in a number of selected countries that are the major maize producers in the region (South Africa, Kenya, Tanzania and Zambia). This is to be achieved in two steps:

1) Collecting data and local experts intelligence, such as maize prices, transportation costs and information on trade and agricultural policies;
2) Develop relevant econometric models to capture price transmission and price leadership dynamics across the countries in the region.

Objective 2. Deepen a scientific partnership between FAPRI and ReNAPRI group through the visits to South Africa and Zambia. Collaboration with local institutions was expected to contribute to the development of local capacity and to lead to the improvements in the quality of the analysis undertaken, through the development of quality price data sets and improved knowledge of local markets and policies.

Objective 3. Use the work undertaken in this project to strengthen the modeling capacity of ReNAPRI and use it to approach other funding institutions in order to expand the scope of the work in future, both in terms of country coverage and commodity coverage.

3. Description of the visit

Most of my visit took place at the BFAP at the University of Pretoria. Additionally, on September 9-10, together with the BFAP colleagues (Ferdi Meyer and Tracy Davids), we visited the Indaba Agricultural Policy Research Institute (IAPRI) in Lusaka, Zambia, where ReNAPRI headquarters is located. Let me address each part of the trip separately.

Pretoria, South Africa visit:

Several activities took place during my stay in Pretoria. The major effort was centered on identifying hypothesis of the price transmission study (see Objective 1), determining its geographic scope, collecting data and developing econometric model. BFAP colleagues provided instrumental support in acquiring data needed for the analysis. Given the short duration of my stay in Pretoria, most of the work on the econometric model and analysis of the data have been taking place after my return from the trip.

My trip was also scheduled around the time when the BFAP team was preparing for the ReNAPRI annual outlook conference in Maputo, Mozambique in October, 2015. Therefore, some of the activities included support work for this preparatory process, including review of the ReNAPRI baseline report, and review of the partial equilibrium models of the South African and Zambian sugar sectors.
Lusaka, Zambia visit:

Trip to Lusaka was a short, but a very productive one. During this trip we met with the colleagues at IAPRI institute, including Honorable Chance Kabaghe (IAPRI), Brian Chisanga (IAPRI) and Dr. Nicholas Sitko (Michigan State University, USA). These meetings were focused on the preparation for the ReNAPRI outlook conference and reviews of the sugar sector report for Zambia.

Furthermore, during our trip to Lusaka, we also had two meetings with a local grain farmer and elevator owner, and a representative at the Zambian Ministry of Agriculture to gather market information about selected agricultural markets in the country, and obtain feedback on the ReNAPRI preliminary baseline results.

4. Outcomes

The analysis of the data collected in Pretoria and Lusaka is still ongoing. However, there are several outcomes that can already be mentioned. While in Pretoria, together with the BFAP team we submitted a paper proposal titled “Regional Price Transmission in Southern African Maize Markets” for two conferences. One is an annual meeting of the International Agricultural Trade Research Consortium (paper was accepted and is to be presented on December 15, 2015 in Clearwater Beach, FL). Another one is for the FAO International Conference on Agricultural Statistic to take place in October, 2016 in Rome, Italy (results are to be announced in December, 2015).

Furthermore, once the analysis is complete, estimated price transmission coefficients will be included in the ReNAPRI maize model for the South-East Africa region to improve the accuracy of the model and subsequent policy analysis results.

5. Acknowledgements

I would like to thank UMSAEP Program for the financial support that made my trips to Pretoria and Lusaka possible. In particular, I would like to thank Dr. Rod Uphoff and Brenda Dennis and acknowledge their efficiency in helping me with the preparation of the trip.

I would also like to thank the BFAP team for making my stay with them productive and enjoyable. In particular, I thank Dr. Ferdinand Meyer and Tracy Davids for their help in organizing this trip, and their research support. I would also like to thank Honorable Chance Kabaghe and Brian Chisanga for hosting me at IAPRI during my visit to Lusaka. Last, but not least, I would like to thank FAPRI-MU team, particularly Julian Binfield, for their help in arranging the trip.