

# POLICIES & REGULATIONS FOR A THRIVING CANADIAN AGRI-FOOD SYSTEM

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## Poster 25

### **WHAT'S TRADE GOT TO DO WITH IT?: EXPLORING THE IMPACT OF DIRECT TRANSFER FOOD AID ON SUB-SAHARAN AFRICAN AGRICULTURAL PRODUCERS AND AGRICULTURAL TRADE**

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Of the Canadian allocated direct transfers worldwide, sub-Saharan Africa (SSA) received roughly 80 per cent of all direct transfers and 90 per cent of all project category direct transfer food aid. Direct transfer food aid is considered commodities produced in the donor country and provided at concessional prices to the recipient country (i.e. Canadian wheat). Canadian food aid policy has changed over the past decades with a decreasing trend in direct transfers since 1988. Although Canada's role in food aid has been minor compared to the United States, it is imperative to understand the implications of choice in foreign assistance. A number of studies have churned up the food aid controversy in recent years. The main interest for development experts, however, has been the long-term impact of food aid allocations from leading donors. Our findings explore the interaction between direct transfer food aid and recipient country producers in depth and provide preliminary findings on the interaction these allocations have with international trade.

Our results indicate no significant disincentive effects caused from direct transfer food aid to producer prices and production quantities in the selected countries throughout SSA. However, there are preliminary results to indicate that direct transfers may be crowding out cereal imports. This could have negative effects on agricultural producers within donor countries depending on the magnitude of direct transfer delivery. The results from this research will help assist donors as well as recipients in understanding the long-term impacts of non-emergency food aid on domestic agricultural production and international trade.