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# **SUMMARY OF COMMENTS ON DRAFT AGRICULTURE, FOOD SECURITY AND NUTRITION LAW**

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## OUTLINE

- BACKGROUND
- LEGAL ANALYSIS
- ECONOMIC ANALYSIS
- CONCLUSION



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## BACKGROUND

- Jan 2014, draft law on Agriculture, Food Security and Nutrition issued for comments, by the Parliament;
- High level analysis raised legal and economic concerns about the legislation;
- Legal and economic analysis commissioned by SPEED at request of partners CTA and MINAG.



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## LEGAL ANALYSIS FINDINGS

- Conflicts between the draft law and the Constitution;
- Potential conflicts from overlaps with sectoral legislation;
- Conflict with Mozambique's international obligations;
- Draft law depends on complex and detailed subsequent regulation to be implementable;
- Implies additional costs to the state budget;
- Focuses more on food security and nutrition without taking account of agro-industry;
- Restricted to the role of agriculture, not taking account of other major issues (economic development, business environment, education and public health).



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## **ECONOMIC ANALYSIS FINDINGS I**

- Several of the specific ways to achieve the objectives of the draft work against each other:
  - Improving consumer access to food at affordable prices versus restricting food imports - restricting imports raises prices and distorts free trade;
  - Restricting imports & thus increasing prices reduces range of food types available potentially worsening nutrition;
  - Guaranteeing minimum prices for basic foods by acquiring, publicly storing and managing distribution of agricultural produce versus objective of reducing government interference in free market;



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## ECONOMIC ANALYSIS FINDINGS II

- Increased government involvement in markets distorts market prices and reduces private investment thereby slowing poverty alleviation;
- Export restrictions may increase local consumption, but at expense of export earnings;
- Legislation does not consider the cost to the state budget;



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## CONCLUSIONS

- The current draft should not be promulgated;
- Significant public debate is required on why current policy and legislation has proven inadequate to deal with agricultural development, food security and nutrition and how to rectify this;
- Food security initiatives which enhance economic growth should be sought, along with alternatives to price-distorting proposals.