USAID Hub Supports Revised Grain Standards for Improved Trade

Why it matters
The consistent application of quality standards is a core component of any structured grain trading system. Variable standards and the inconsistent application of standards increase transaction costs for cross-border trade and extend the time needed for clearing borders.

What the USAID Hub did
To address the trade inefficiencies above, the USAID East Africa Trade and Investment Hub (the Hub) partnered with the Eastern Africa Grain Council (EAGC) to support the East African Community (EAC) Secretariat in reviewing and harmonizing nine of the 22 East African standards for staple foods, (i.e. cereals/grains, pulses and their products). The Hub and EAGC partnership also helped the EAC Secretariat to develop sampling and test methods for the consistent applications of those standards.

Expected impact
The new harmonized standards will increase intra-regional trade of staples and reduce the cost of cross-border transactions.

• Reduced clearance time at the border means lower logistics costs.
• Reduced cost of testing and quality verification (grains graded and certified by national bureaus of standards will not have to be re-graded when crossing a border within the EAC.)
  • A 2014 study¹ showed that improved standards were able to reduce the cost of testing by 59% from an average of $500 to $205.
  • The same study stated that harmonized standards reduce the time it takes to test grain: from 38 days to 10 days (a 74% reduction).
• Reduced disputes (e.g. the new standards account for discoloration in maize, a debated that topic that often prolongs clearance times.)
• Improved quality input for millers and food processors. This will also reduce the cost of processing and the cost of processed foods (maize & wheat flour etc.)

Why nine standards?

Nine standards were prioritized for review following a gap analysis study conducted by EAGC, Swedish International Development Cooperation Agency and Food Trade East and Southern Africa. The study found that nine standards had the most extensive technical gaps, caused by missing parameters in the specification tables, missing terms in the definitions, misinterpretations (due to lack of clarity on definitions) and stringent limitations on requirements. Grain stakeholders in the EAC supported these findings and affirmed the prioritization of the nine standards for revision. In October 2016, the Hub committed to support EAGC and the EAC secretariat to revise the standards. Foodtrade East and Southern Africa also provided some support in early 2016.

The EAC Council of Ministers approved the nine revised standards and two sampling and test methods following a November 27 – December 1 meeting in Kampala, Uganda.

Gazetted

On December 7, 2017, the following nine standards were gazetted under EAC Legal Notice Number EAC/149/2017:

1. EAS 1:2017, Wheat Flour – Specification
2. EAS 2:2017, Maize Grains – Specification
3. EAS 44:2017, Milled Maize (Corn) Products – Specification
6. EAS 89:2017, Millet Flour – Specification
7. EAS 95:2017, Sorghum Flour – Specification
9. EAS 762:2017, Dry Soybeans - Specification

The following two sampling and test methods were also approved:

1. EAS 900:2017, Sampling Methods
2. EAS 901:2017, Test Methods

Harmonization of EAC and COMESA Standards

The nine standards relate to grains as opposed to seed and therefore the Organization for Economic Co-operation and Development and International Seed Testing Association seed standards do not apply. COMESA currently does not have harmonized standards for grains and legumes, however there is a Mutual Recognition Framework that seeks to eliminate multiple testing by the exporting and importing countries. This is done through Mutual Recognition Agreements among the member states. COMESA is in the process of developing regional standards that link EAC standards with those of SADC.

Implementation

The EAGC has planned a series of introduction meetings to roll out the revised standards across the five EAC countries. Beginning in January 2018, the EAGC will:

- Announce and create awareness on the gazetted standards and highlight their importance in intra-regional food trade, food security, food quality and food safety.
- Facilitate discussions on the implementation roadmap and the dissemination plan to ensure that the border posts and relevant agencies are sensitized on the revised standards.

The Hub will support the EAGC to hold these events and will work with the newly formed East African Cross Border Traders Association to ensure dissemination of information of the revised standards to traders at the border posts. Focus will be placed on the border posts with the largest movements of these grains in the EAC which are; Busia (408,450 MT), Gatuna (39,144 MT) and Malaba (1,354MT) respectively.

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2 Data from RATIN capturing cross border trade of maize and legumes between January and November 2017. RATIN data focuses on capturing informal trade across the borders.