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Intra-Africa Trade in Food and Agriculture: Issues, Challenges and Prospects in the Context of the African Continental Free Trade Area (AfCFTA)

Executive Summary

Despite its vast agricultural potential, Africa is a net importer of agricultural products, and increasingly so. While exports have been growing at a compound annual growth rate of 4 percent over the last two decades (1996 – 2016), imports have been increasing by 6 percent per year over the same period. The increase in agricultural and food imports has been particularly striking for basic foodstuffs.

Significant scope for intra-African trade in the key food groups is possible. Food demand is projected to increase fuelled by high population growth, rapid urbanization and income growth. Moreover, Africa's urban food markets are estimated to expand exponentially. The launch of the African Continental Free Trade Area (AfCFTA) is an opportunity to increase investment and trade in agricultural products, given the importance of the agricultural sector to African economies.

Experiences from previous efforts such as the formulation and implementation of the Tripartite Free Trade Area (TFTA) provide both examples of the challenges of continent-wide integration and the regional tools and frameworks that can facilitate this process. Challenges include different Rules of Origin (ROO) requirements, multiple overlapping Regional Economic Communities (RECs) memberships of many African countries, and the significant diversity of countries in the AfCFTA region. Tools and frameworks exist that can help promote and facilitate intra-African trade, which member countries could beneficially employ.

Matters to be brought to the attention of the Regional Conference

The conference is invited to consider the following:

- Note the large and growing dependence of Africa on imports to meet food requirements.
- Encourage member countries to take advantage of the opportunity created by AfCFTA to boost intra-African trade in agri-food products, and transform the food and agriculture

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systems towards a productive and competitive economic undertaking benefiting the majority of the population, including youth and women.

- Encourage RECs and the African Union Commission (AUC) to strengthen partnerships with FAO and other partners to design and implement capacity development programmes to support member countries for them to benefit from the opportunities of AfCFTA.
- Strengthen collaboration and partnership with relevant organizations such as the African Union (AU) and the RECs.

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I. Introduction

1. The Comprehensive Africa Agriculture Development Programme (CAADP) aims at transforming African agriculture, harnessing the sector's job and wealth creation potential, and thereby contributing to eradicating poverty, hunger and malnutrition. Notwithstanding growth opportunities from the global market, this transformation shall be driven primarily by African markets, where food demand, fuelled by high population growth, rapid urbanization and income growth, is projected to increase by 178 percent by 2050. The World Bank estimates that Africa's urban food markets will exceed a total value of USD 400 billion by 2030, while the food system business will reach that of USD 1 trillion during the same period.
2. Even so, despite the improvement in economic performance in recent years and more than a decade after the adoption of CAADP, Sub-Saharan African countries remain marginal global agricultural trade players, accounting for only 2.8 percent of world trade in goods and 18 percent in intra-African trade. The continent's demand for food continues to outstrip domestic supply by some 20 percent, with a total average import bill of USD 80 billion growing annually at 6 percent. To take advantage of the fast-growing intra-African market opportunities, African agriculture must undergo a structural transformation that entails shifting from subsistence-oriented production systems toward more market-oriented ones. This structural transformation must also benefit the most vulnerable segments of the population – smallholder farmers, rural women and youth—as it links farmers to regional and global value chains.
3. Regional integration, including through greater trade in goods and services, is one of the key aspirations of the African Union's Agenda 2063, as expressed in the Ten-Year Implementation Plan (2014–2023) adopted as the Malabo Declaration in 2014. Within this context, the launch of the African Continental Free Trade Area (AfCFTA), a flagship programme of the Agenda, is expected to significantly accelerate growth and sustainable development through doubling intra-African trade by 2022, and tripling trade in agricultural goods by 2023.¹
4. This document presents a summary of the key issues and challenges to improving food security through enhancing intra-African trade and suggests approaches to tackle them in the context of the AfCFTA. It builds on ongoing work in FAO by reviewing the status of intra-African trade around a broad set of commodity groups. The analysis focuses on Regional Economic Communities (RECs).²

II. The African Continental Free Trade Area

5. According to the 2019 edition of the Regional Integration Index (the African Union [AU], United Nations [UN] Economic Commission for Africa [ECA] and the African Development Bank [AfDB]), regional integration in Africa remains low across the five dimensions, including trade integration, regional infrastructure, productive integration, free movement of people and macroeconomic integration. South Africa emerges as the most integrated country, particularly with regard to trade integration, regional infrastructure and productive integration; whereas South

¹ AU (African Union). 2015. Agenda 2063. The Africa We Want. A Shared Strategic Framework for Inclusive Growth and Sustainable Development. First Ten-Year Implementation Plan 2014-2023. Addis Ababa

²The analysis of trade trends, particularly intraregional trade, is limited by the availability and completeness of the data reported by countries. As such, it is important to be mindful, that intraregional trade in Africa, may be underestimated due to under-reporting of trade data among the countries within the region, and the prevalence of informal cross-border trade.

Sudan as the least integrated mainly owing to its modest performance in regional infrastructure and financial integration. As for RECs, the East African Community (EAC) performs the highest on trade integration.

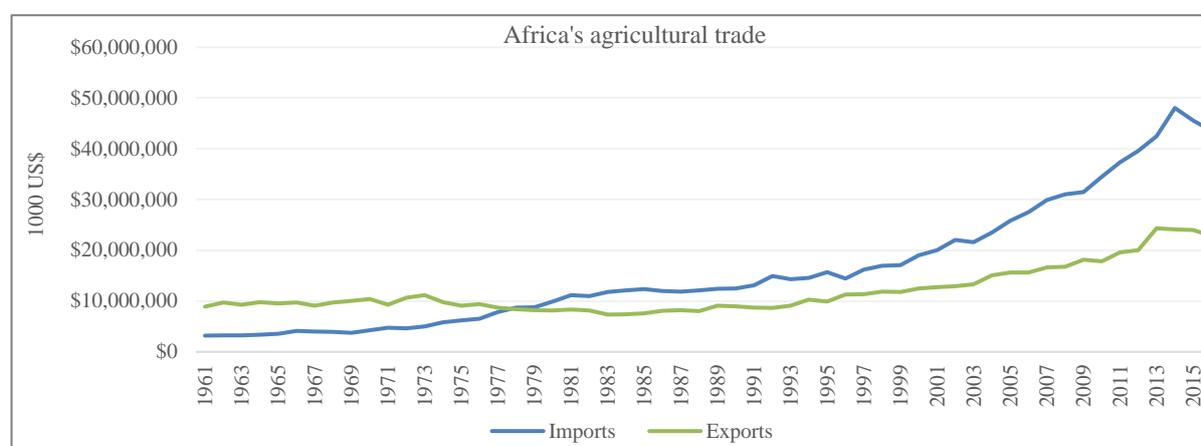
6. The agreement establishing the AfCFTA was reached in March 2018 and entered into force on 30 May 2019. The AfCFTA would create a single market of up to 1.2 billion people and a GDP of nearly USD 3 trillion, which could generate substantial economic gains. Agenda 2063 calls for countries to take progressive steps towards greater levels of integration, through the establishment of an African Customs Union and an African Common Market. In support of these goals, the Assembly of Heads of State and Government of the African Union also endorsed an Action Plan for Boosting Intra-African Trade (BIAT).
7. The AfCFTA agreement establishes the protocol of the free trade area (trade in goods, trade in services, investment and dispute settlement) that includes disciplines inter alia on tariffs, rules of origin, the movement of persons, trade facilitation, non-tariff barriers (NTBs), trade remedies, technical assistance, special export zones and capacity building and cooperation. Negotiations are ongoing to address market access offers and exclusion lists, competition, intellectual property rights and e-commerce. African countries have undertaken commitments to remove tariffs (with a current trade-weighted average of 5.67 percent) on 90 percent of over 5 000 goods with the remaining 10 percent for “sensitive or excluded items”, and to liberalize service sectors such as transport, communication, tourism, financial services and business services. The agreement includes the mutual recognition of standards and licences and the harmonization of sanitary and phytosanitary (SPS) measures to reduce NTBs and facilitate trade.
8. The AfCFTA has the potential to boost intra-African agricultural trade and thus support diversification, economic transformation and commodity-based industrialization with a focus on strategic commodities including rice, legumes, maize, cotton, palm oil, beef, dairy, poultry and fishery products, cassava, sorghum and millet.³ This boost in intra-Africa trade needs to be balanced with the fact that many countries in Africa do not produce enough to meet domestic demand, and complementary policies aimed at promoting agricultural productivity, improving the enabling and regulatory environment for business to flourish, and upgrading workers’ skills are necessary.

III. Situation and Trends in Intra-regional Trade in Food and Agriculture

9. Africa’s participation in the global market for agricultural products has steadily advanced in the last half century. Figure 1 shows the evolution of Africa’s agricultural imports and exports in constant values i.e. the evolution of trade volumes. While exports have been growing at a compound annual growth rate of 4 percent over the last two decades (1996 – 2016), this has been outpaced by the annual growth in imports, which was 6 percent over the same period. Africa is thus a growing net importer of agricultural products.

³ These are strategic commodities identified by the Abuja 2006 Food Security Summit.

Figure 1. Africa's Agricultural Imports and Exports, Constant Unit Values (USD, year 2000)

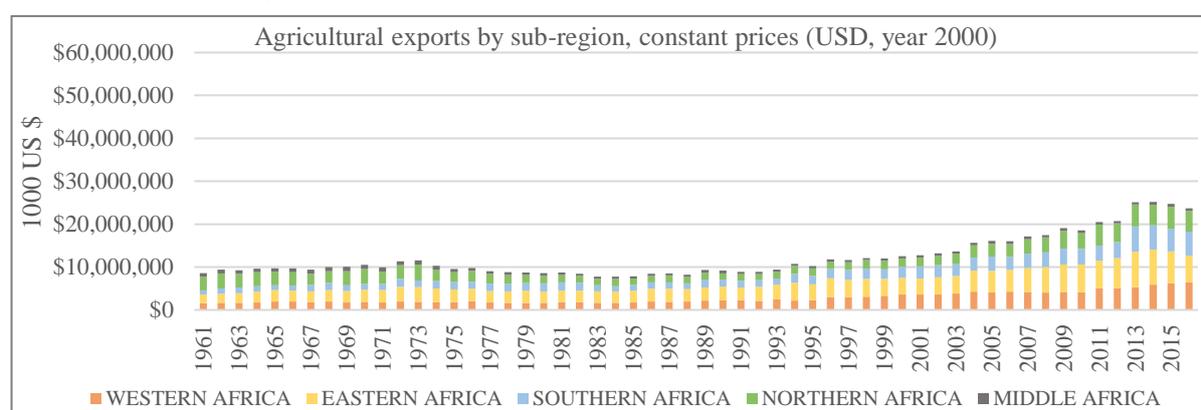


Note: Export and import volumes, including intra-African trade, measured at constant prices (USD, year 2000)

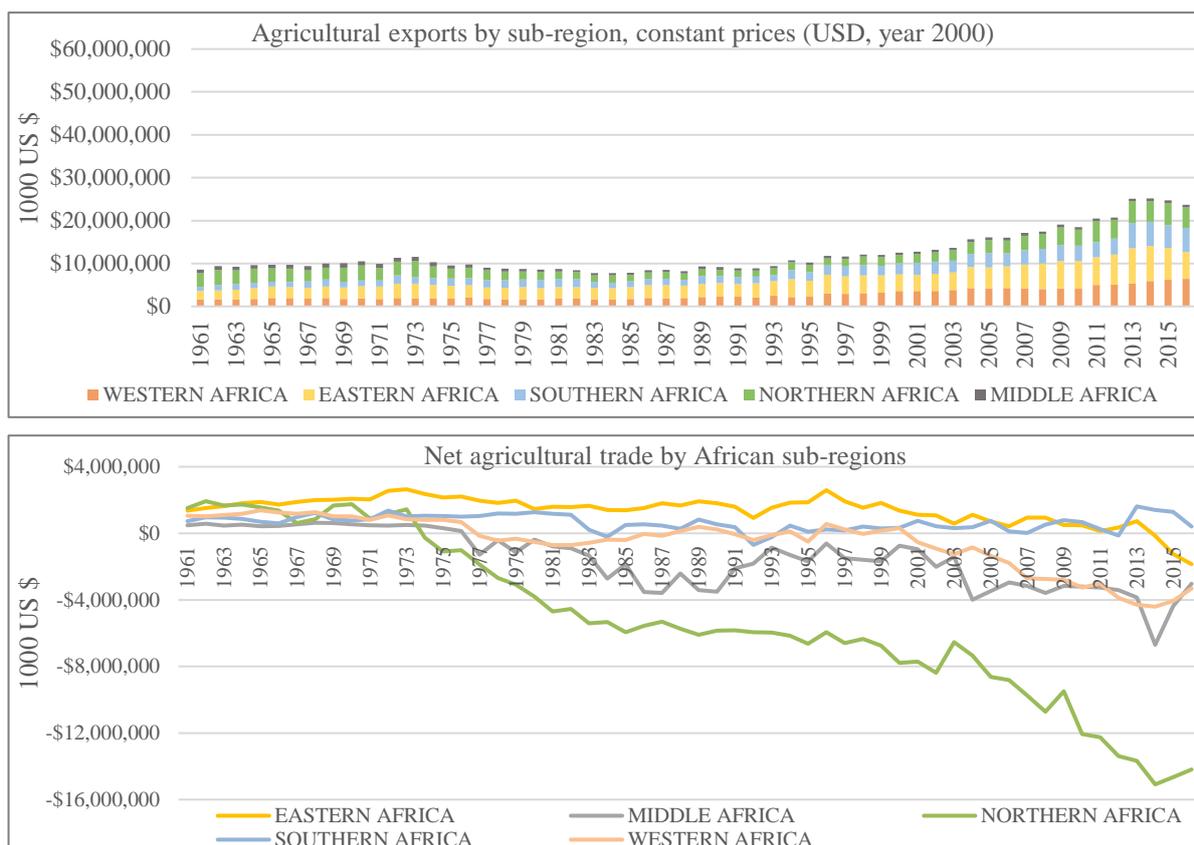
Source: Calculated based on data from FAOSTAT

10. When disaggregated by subregion, the traded volumes, as well as the net trade position can differ quite substantially, given the inherent differences in agro-ecological zones that affect production potential.⁴ Africa's agricultural imports are driven largely by Northern Africa, followed by Western and Eastern Africa. The source of Africa's exports on the other hand, are more evenly spread out between Western, Eastern, Southern and Northern Africa, with each region making up between 21 percent and 28 percent of Africa's total agricultural exports. Overall, Northern Africa is a significant and growing net importer. Central and Western Africa are also net importers (although traded volumes are much smaller and more volatile in Central Africa). Southern Africa has been close to parity between imports and exports, and Eastern Africa has largely been a net exporter, albeit declining in recent years.

Figure 2. Subregional Shares of African Agricultural Imports and Exports, and Net Agricultural Trade, Constant Prices (USD, year 2000)



⁴ FAOSTAT Country Groups classifies countries into subregions as follows: **Eastern Africa:** Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Mozambique, Rwanda, Seychelles, Somalia, South Sudan, Uganda, United Republic of Tanzania, Zambia, Zimbabwe; **Middle Africa:** Angola, Cameroon, the Central African Republic, Chad, the Congo, the Democratic Republic of Congo, Equatorial Guinea, Gabon, Sao Tome and Principe; **Northern Africa:** Algeria, Egypt, Libya, Morocco, the Sudan and Tunisia; **Southern Africa:** Botswana, Eswatini, Lesotho, Namibia, South Africa



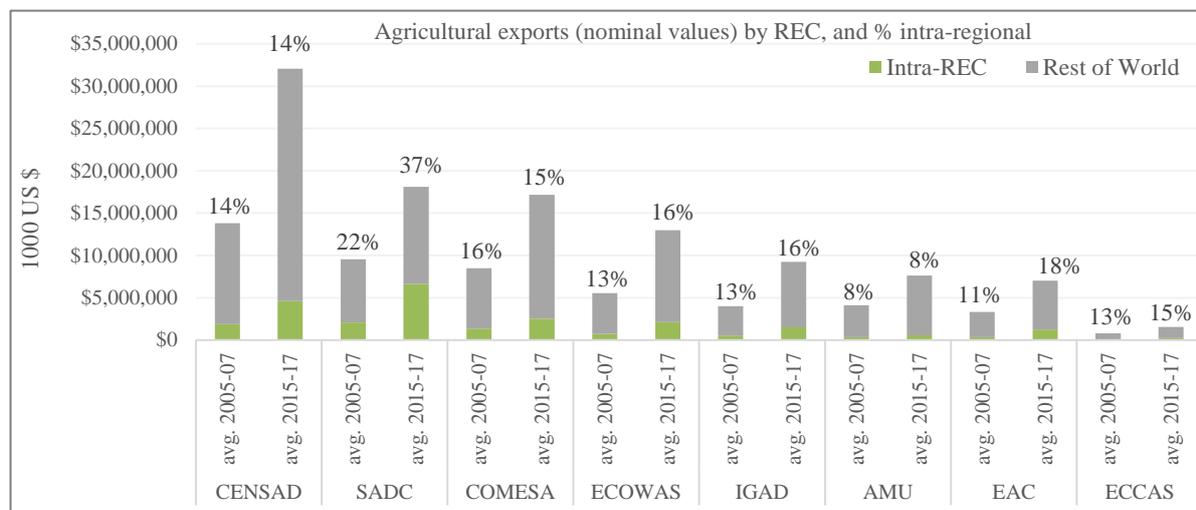
Note: Export and import volumes, measured at constant prices (USD, the year 2000)

Source: Calculated based on data from FAOSTAT

Agricultural Exports

11. In nominal values, on average between 2015 and 2017, Africa's agricultural exports amounted to approximately USD 61 billion, with 25 percent destined for the African market. While agricultural exports of all of Africa's RECs have increased over the last decade, they differ in the extent to which exports are destined for intra-REC markets, and in how these shares of intra-REC exports have evolved over the last decade. The Southern Africa Development Community (SADC) has both the highest level of intra-REC exports, at 37 percent in 2015/17, and the highest increase in this share (up from 22 percent in 2005/07). EAC has the second highest share of intra-REC exports (18 percent in 2015/17) and the second highest increase (from 11 percent in 2005/07). Other RECs have had modest increases in intra-REC exports (Economic Community of West African States [ECOWAS], Intergovernmental Authority on Development [IGAD] and Economic Community of Central African States [ECCAS]), have maintained the same levels (Community of Sahel-Saharan States [CONSSAD] and Arab Maghreb Union [AMU]), or have had a slight decline (Common Market of Eastern and Southern African [COMESA]) (Figure 3).

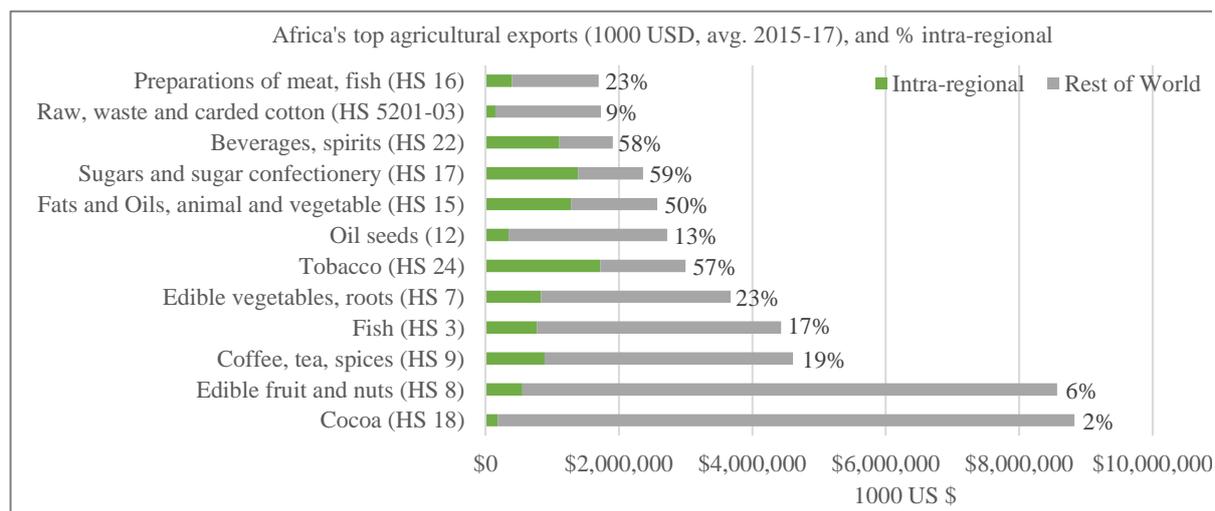
Figure 3. Evolution of Agricultural Exports between 2005/07 to 2015/17 by African REC



Source: Calculated based on data from ITC TradeMap (agricultural products include HS codes 1-24)

12. Africa’s agricultural exports are dominated by a few product categories, with the top five (cocoa, edible fruits and nuts, coffee, tea and spices, fish and edible vegetables and roots) making up 53 percent of all agricultural exports, and the top twelve making up 80 percent of all agricultural exports, as shown in Figure 4. Most of the exports are destined for extra-regional markets. Exceptions include tobacco, fats and oils (both animal and vegetable source), sugar and sugar confectionery, and beverages, for which the shares exported to intra-regional markets are higher than 50 percent of total exports.

Figure 4. Africa’s Top Agricultural Exports (Average 2015-17) and Share of Intra-regional Exports



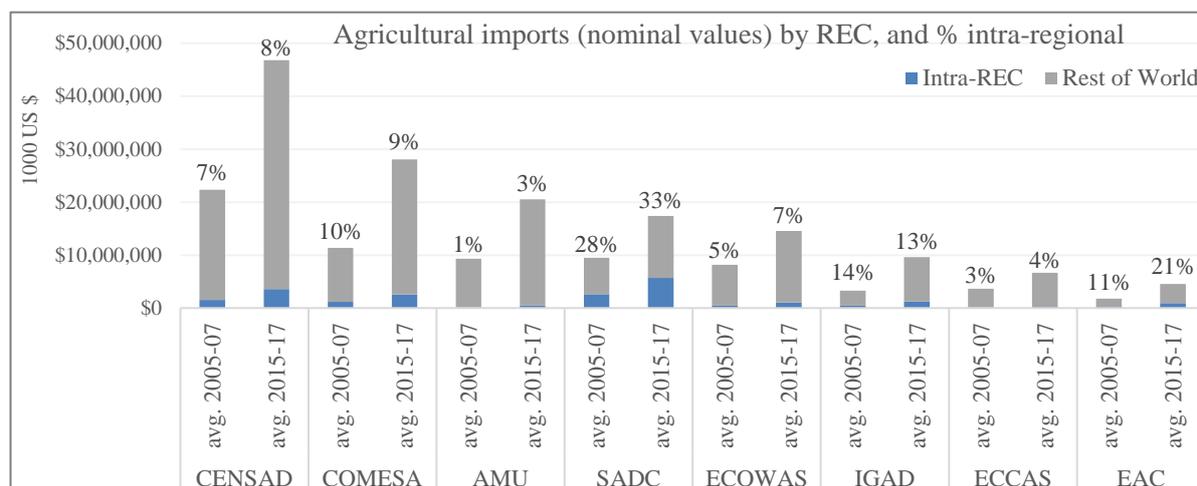
Source: calculated based on data from ITC TradeMap (agricultural products include HS codes 1-24, and raw cotton HS 5201-5203)

Agricultural Imports

13. In nominal values, on average between 2015 and 2017, Africa’s agricultural imports amounted to approximately USD 80 billion, having more than doubled since 2005-07, when it was USD 39 billion. The share of intra-REC imports today is approximately 17 percent and has not

significantly increased from a decade ago (15 percent in 2005/07). Agricultural imports have risen in all the RECs over the same period (Figure 5), albeit with differing shares of intra-REC imports. This share is highest in SADC, at 33 percent, followed by EAC, at 21 percent. Although EAC has the lowest levels of imports of all the RECs, it has seen a very rapid increase in intra-REC imports (up from 6 percent in 2005-07). This is in contrast to most other RECs where there has been either a very modest increase in the share of intra-REC imports (AMU, CEN-SAD, ECOWAS, ECCAS), or it has declined (COMESA, IGAD).

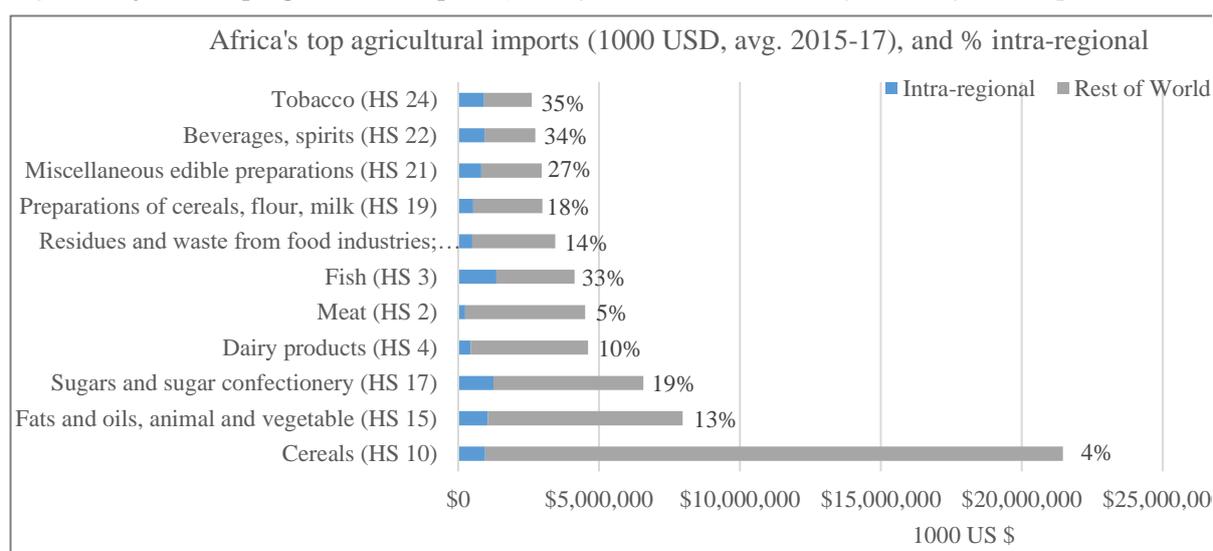
Figure 5. Evolution of Agricultural Imports between 2005/07 to 2015/17 by African REC



Source: calculated based on data from ITC TradeMap (agricultural products include HS codes 1-24)

14. As with agricultural exports, imports are also dominated by a few product categories, with the top five of these making up 56 percent of the total imports, and the top 11 making up 80 percent as shown in Figure 6. Most of the top imports are sourced from outside the region, with shares of intra-regional imports for all these products remaining below 35 percent of total imports.

Figure 6. Africa's Top Agricultural Imports (Average 2015-17) and Share of Intra-regional Imports



Source: calculated based on data from ITC TradeMap (agricultural products include HS codes 1-24, and raw cotton HS 5201-5203)

15. The analyses above have demonstrated that there is significant scope for intra-trade in the key food groups among African countries, notably cereals, meats, dairy products, fats and oils (animal or vegetable) and sugar and sugar products. Tariffs and, more importantly, non-tariff bottlenecks are currently limiting intra-regional trade integration. The experience of the RECs suggests that reducing tariffs alone is not sufficient to boost intraregional trade. Poor trade logistics and, to a lesser extent, infrastructure are major obstacles to further trade integration in the region. These bottlenecks are particularly important for landlocked and low-income countries⁵.

IV. Addressing the Challenges and Constraints to Intra-African trade in the Context of the AfCFTA

A. Trade and Food Security

16. The food and nutrition security situation in Africa remains a major concern. Sub-Saharan Africa now stands out as the only region of the world where the number of the extreme poor increased, from 276 million in 1990 to 413 million in 2015. The links between trade and food security and nutrition are inherently complex, with several channels of interaction simultaneously affecting the different dimensions of food security: availability, access, utilization and stability. Trade affects a number of economic and social variables such as market structures, infrastructure development, the productivity and composition of agricultural output, the variety, quality and safety of food products, and the composition of diets. Changes in these variables under the AfCFTA can affect, to different degrees, all four dimensions of food security, in the short, medium and long term.
17. A number of underlying factors affect the way in which trade interacts with food security outcomes, ultimately determining the nature of the impact, especially in terms of food prices. These factors include the functioning of domestic food markets; the ability of producers to respond to changing incentives; and the participation of smallholders in markets. Trade policy interventions need to take into consideration the various underlying factors that influence the linkages between trade and food security. The complexity of the channels of interaction between trade and food security could result in a wide range of different impacts and country experiences, making the overall impact largely context-specific. This complexity needs to be taken into consideration in the context of the AfCFTA.
18. Trade policies are only one of the many categories of policies that can affect the flow of trade, markets and food security. Producer- and consumer-oriented measures can be equally important because of their direct effects on national production levels, and the indirect effects that changes in national production can have on trade flows and global markets. Price policies (that introduce a gap between domestic prices of inputs and outputs and those that would prevail in the absence of such measures) can be particularly important, but as they can be designed and implemented in different ways, can have quite different impacts and also result in significant fiscal costs.
19. Trade and related policies affect different dimensions of food security and nutrition; the effects differ across countries, and also evolve over time. There is no single most “appropriate” policy instrument. The objectives of policy interventions should be paramount in determining the appropriateness and in informing the design of trade-related policy.

⁵ IMF, 2019. Regional Economic Outlook, Sub-Saharan Africa, recovery amid elevated uncertainty

20. Often, debates related to trade and food security focus on the short-term impacts of market shocks, and the resulting changes in trade flows and prices that consumers and producers face. In the context of the AfCFTA, it is important to look beyond the possible short-term consequences of policy interventions when assessing their effectiveness in achieving food security objectives. Policies need also to address the more transformational aspects of the food and agriculture systems.
21. FAO continues to provide direct support to African countries for regional and bilateral trade negotiations, to enable their effective participation in these negotiations, with special focus on the linkages between agriculture, food security and rural development. As part of this effort, FAO has facilitated e-learning courses on “Trade, Food Security and Nutrition”, and “Agriculture in International Trade Agreements” to participants from various subregions, notably in Eastern, Southern and West Africa.

B. Structural Reform and Regional Value Chains to Strengthen the Impact of the AfCFTA

22. A key feature of intra-regional exports in Africa is that they are more diversified than Africa’s exports to the rest of the world, as countries with more diversified economies tend to trade relatively more within region. This observation is also made with regard to intra-REC trade. Therefore, for agriculture-based and less diversified countries to reap the benefits of trade integration, trade policies should be aligned with other sectoral policies, such as agriculture and industry that could boost agricultural productivity to better leverage existing comparative advantage. Moreover, there is a need to develop and link farmers to regional and global value chains.
23. In many African countries, agriculture and trade-related objectives and strategies are identified through separate prioritization, negotiation and coordination processes, associated with agriculture and trade ministries respectively. This situation often results in different perceptions of the national priorities for agricultural trade, which can lead to gaps in the country’s capacity to design and implement appropriate trade strategies and policies supportive of agriculture sector development and associated food security improvements. Moreover, by articulating incoherent or even conflicting priorities, the “sectoral divide” also contributes to inefficient allocation of resources.
24. FAO has developed an approach for improving coherence between agriculture and trade policies and institutional mechanisms at the country level. This approach was already piloted in a number of African countries including Mozambique, Rwanda, the United Republic of Tanzania, and Zambia.

C. Reduction and Elimination of Tariffs

25. Average applied tariffs in Sub-Saharan Africa are already relatively low. The effectively applied tariff weighted average (customs duty) for Sub-Saharan Africa is 5.67 percent while the most favoured nation (MFN) weighted average tariff is 7.85 percent. AfCFTA Member States have undertaken commitments to liberalize substantially all trade by eliminating tariffs on 90 percent of goods. The remaining 10 percent is divided between sensitive products (7 percent) and the

exclusion list, namely products on which no reduction in tariffs would be proposed (3 percent). The time frame for implementation for non-sensitive products is five years for developing countries and ten years for the least developed countries, while for sensitive products it is ten and 13 years respectively. Trade within RECs will continue according to the trading regimes they have in place and new tariff liberalization under AfCFTA will only occur among Member States that do not have an existing agreement with one another.

D. Reduction and Elimination of Non-tariff Barriers

26. As mentioned above, the reduction of NTBs and the harmonization of complementary policies that facilitate trade are critical to boost intra-African trade. Although there is political will at the highest level, implementation hurdles remain adding costs to crossing borders in Africa. Domestic transportation costs are also high, accounting for between 50–60 percent of marketing costs in the region while roadblocks very often add to the cost of transport.
27. Specific to agriculture, SPS measures, have become relatively more important compared to tariffs. SPS measures have the legitimate and critical function to protect public health and animal and plant life and health. However, weak capacities to comply with SPS requirements can result in a country's exclusion from key markets, and poorly applied procedures can increase the cost of trade. Estimates show that SPS measures raise domestic food prices by about 13 percent in Sub-Saharan Africa.
28. Promoting intra-regional trade will require reduction of such barriers to trade, which today often push traders towards using informal channels, thus avoiding compliance with SPS measures entirely and defeating the intended purpose of the SPS measures.
29. Governments can facilitate cross-border trade by investing in physical infrastructure, simplifying procedures, harmonizing standards, streamlining licensing procedures and certificates of origin requirements, improving market information and finance, and improving professionalism of customs officers.
30. FAO has been developing the capacity of African countries and RECs on SPS measures, including strengthening capacity and reinforcing collaboration and partnership between the focal points of the FAO/WHO Codex Alimentarius Commission, the International Plant Protection Convention (IPPC) and the World Organisation for Animal Health (OIE) in member countries. FAO is also supporting countries to mainstream SPS measures into national food control systems.

E. Rules of Origin (ROO)

31. The AfCFTA contains provisions for the application of ROO in the protocol on trade in goods to distinguish imported goods qualifying for preferential treatment from goods that do not. Due to differing levels of economic development, member countries have agreed on a hybrid approach to the ROO that includes a general rule, such as a requirement for 40 percent local content, together with number of product-specific rules that address the specific concerns of the states. Bigger economies with larger industries push for product-specific rules to prevent countries from importing goods from outside Africa and making cosmetic changes before re-exporting them as goods that qualify for preferential treatment, while smaller countries lack appropriate risk management systems and the administrative capacity to enforce product-specific rules and can therefore revert to the simpler 40 percent rule of the hybrid approach.

32. Additionally, the agreement includes a trade remedy regime or trade defence measures to address unfair trade practices by one country on another country. Trade remedies include anti-dumping measures to offset dumping, countervailing measures to counter illegal subsidies and safeguard measures to defend against import surges, particularly if they aggravate balance of payments problems. A dispute settlement mechanism will also be in place to handle trade disputes. Again, the main issues with regard to the rules of origin and trade remedies are the low capacity of countries to handle complaints and enforce rules against corruption, smuggling, counterfeiting, dumping and other unfair trade practices.

F. Market Information Systems and Reliable Statistics on Trade

33. Owing to Africa's weak market infrastructure, regional markets are often localized with weak transmission of prices between markets and hence sharp fluctuations in prices. Thus, acute food shortages in one subregion can coincide with surpluses elsewhere, within the country or region. One response to addressing such market information problems has been the setting-up of Market Information Systems. While they are operational in many African countries, they continue to suffer from lack of knowledge about them, inconsistency in the information provided and the general low access by poor farmers and other value chain actors who lack the necessary network connectivity.
34. As the process of trade integration accelerates in Africa, reliable trade statistics will become essential for the formulation of appropriate policies and for addressing hindrances to trade. In recognition of the need for information resources, the AU is establishing the African Trade Observatory (ATO) as a key component of the implementation of the AfCFTA. FAO is supporting the operationalization of the ATO in the agricultural and food sector.

V. Conclusion

35. The growth of intra-African trade has gradually increased over the last decade as regional integration progressively deepens. However, there are still many challenges and trade barriers standing in the way of the African single market including policy inconsistencies, NTBs and underinvestment in productive capacity, especially regional value chains and market information systems.
36. To enhance intra-African trade, countries need to pursue change on several fronts including improving physical infrastructure and trade logistics and creating opportunities for market access. The focus should be on tackling supply-side constraints and responding to shifting regional and global demand. Concerted efforts are needed to simplify the rules of origin, reduce NTBs, especially SPSs and the roadblocks and checkpoints that impede cross-border trade and address red tape at the borders.
37. Aid-for-Trade (A4T) should be increased and targeted to help Africa reduce trade bottlenecks (including regional ones). A4T in the form of technical assistance, project finance, and adjustment support for trade reforms will allow African countries to respond swiftly to the opportunities created by trade reforms in the framework of the AfCFTA.

38. FAO will continue to support implementation of the AfCFTA in the agricultural and food sector, notably by ensuring that the agreement contributes to food security and nutrition objectives. This includes strengthening of the capacities of member countries in trade policy analysis and participation in trade negotiation, strengthening market information and analysis to guide the implementation of appropriate trade and market policies and facilitating the work of standard-setting bodies for food safety and plant health. FAO will also continue to work with member countries to enhance policies, institutions and support services that enable the development of regional agro-industry and agrifood chains. FAO's ongoing support to the AUC to develop the Continental Framework for Boosting Intra-African Trade in Agricultural Commodities and Services is an integral component. FAO is also supporting the plan of action of the African Union Continental Strategy for Geographical Indications⁶ approved by member states in 2017 and which foster inter-regional trade for traditional food products with quality linked to their geographical origin. It aims to develop a multi-sectoral implementation strategy that responds to new market opportunities in Africa created by the establishment of the AfCFTA. The objective is to create an enabling environment through appropriate policies, governance systems and institutional arrangements to respond to the challenges of intra-African trade in agricultural commodities and services.

Annex: Trends in Intra-regional Trade by Commodity Groups

Agricultural exports

39. Africa's agricultural exports are mostly concentrated in cash crops. That being said, on average in 2015-17, Africa was a net exporter of four key food product groups as well: fruits and nuts; vegetables and certain roots and tubers; fish; and oilseeds (Figure 7).

- **Fruits and Nuts (HS 8):** Exports of fruits and nuts amounted to USD 8.5 billion, mainly comprised of cashew nuts in shell (USD 2.2 billion), oranges (USD 1.4 billion), grapes (USD 0.8 billion), dates (USD 0.3 billion), avocados (USD 0.2 billion), mangoes (USD 0.2 billion), and berries, other nuts, bananas, apples, melons and others making up the remainder. Cashew nuts are mainly destined for Asian markets, while Europe is a key destination of most other fruits⁷. The overall growth is driven in part by a significant increase in exports of cashew nuts to Asian markets and a doubling of exports of other products. The increase of the share of intraregional trade in fruits and nuts is mainly due to a greater increase in intraregional exports of dates, mangoes, apples and bananas.
- **Vegetables and Certain Roots and Tubers (HS 7):** Exports of vegetables and certain roots and tubers amounted to USD 3.7 billion, comprised of a diverse set of products, including tomatoes (USD 0.6 billion); leguminous vegetables (USD 0.3 billion); potatoes (USD 0.3 billion); onions and shallots (USD 0.3 billion); kidney beans (USD 0.2 billion);

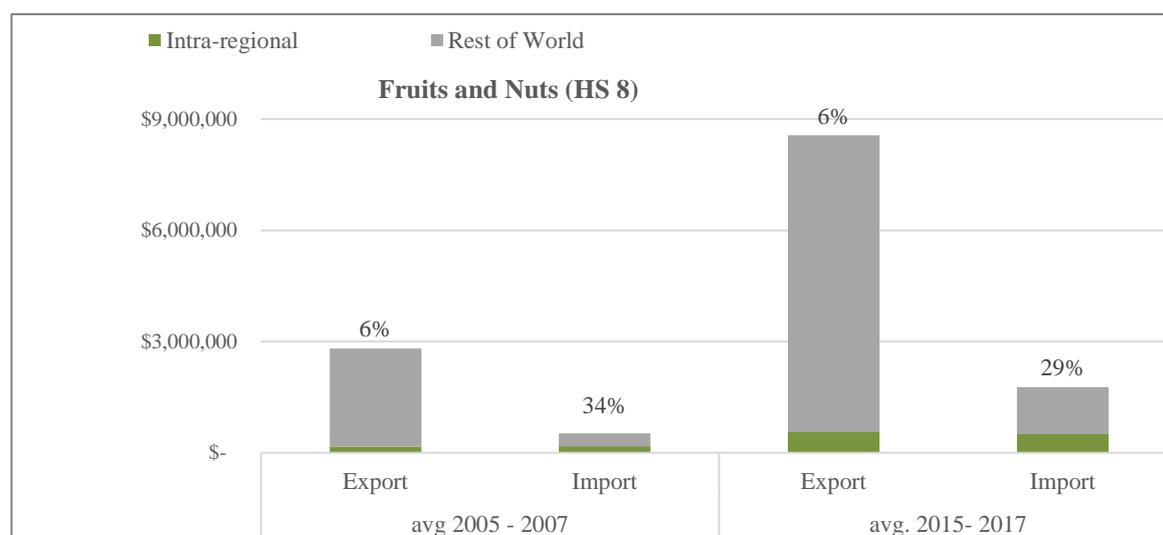
6 See AU Continental Strategy for GI in Africa : https://au.int/sites/default/files/documents/36127-doc-au_gis_continental_strategy_engg_with-cover-1.pdf

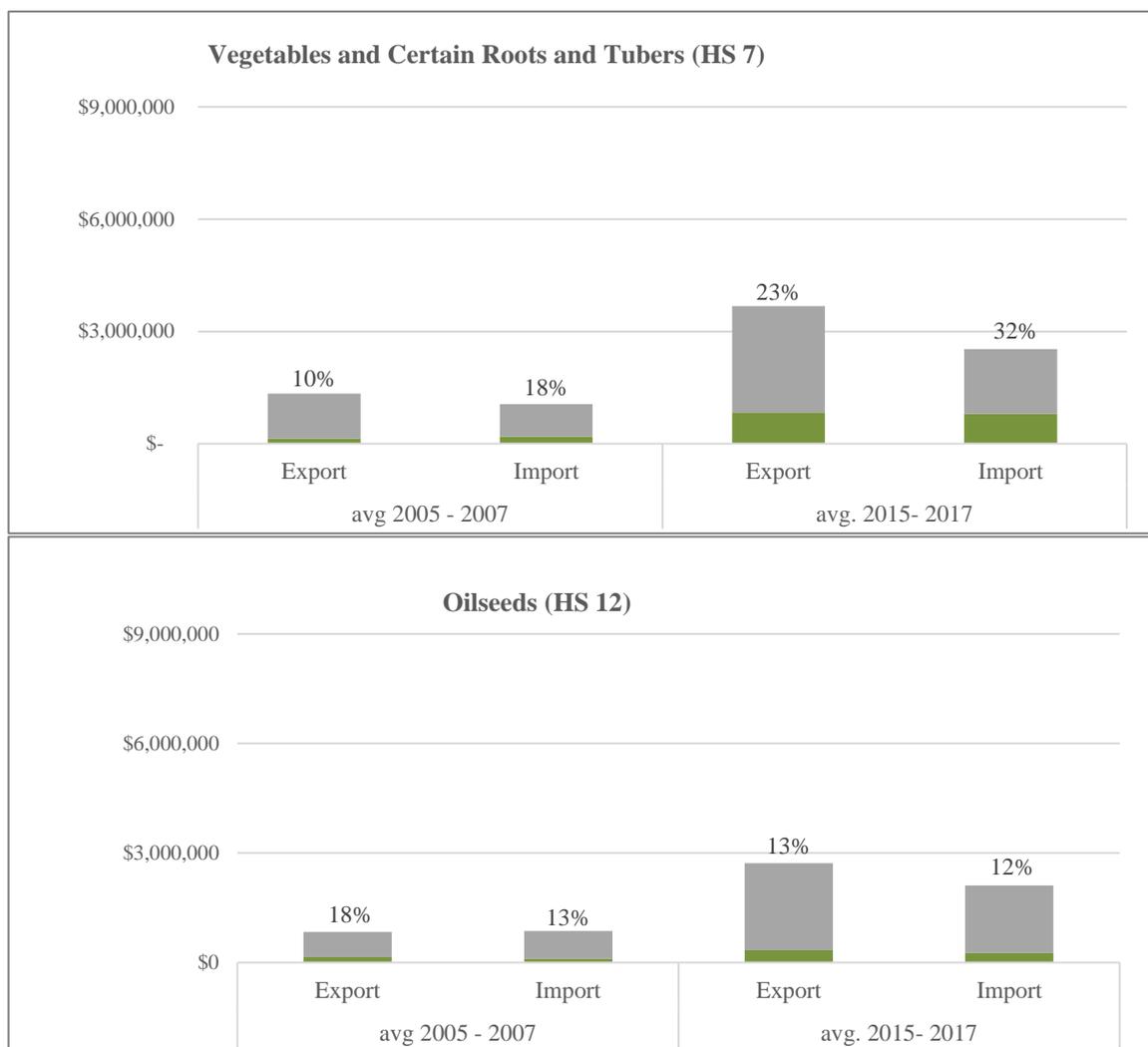
⁷ Ghana reported a significant increase in exports of cashew nuts to India in 2011, with fluctuating or missing values since then, which affects the export values.

chickpeas (USD 0.1 billion); and others. Tomatoes and leguminous vegetables (fresh/chilled) are mainly destined for European markets; potatoes to European, African and Asian markets; and onions and shallots and kidney beans to Asian, European and African markets. Exports of most of these products have grown considerably over the last decade, with dried leguminous vegetables increasing fivefold, tomatoes fourfold, onions and shallots threefold, and potatoes more than doubling. The increase of the share of intraregional trade in vegetables and certain roots and tubers is partly due to a significant increase in intraregional exports of “*other vegetables*” (HS 0709) and potatoes.

- **Fish (HS 3):** Exports of fish amounted to USD 4.4 billion, mainly comprised of fish, including live fish, fillets and meat (USD 2.4 billion), molluscs (USD 1.3 billion) and crustaceans (USD 0.6 billion). Molluscs and crustaceans are exported mainly to European markets, but a considerable share also goes to Asian markets. Fish exports are destined mainly to African, European and Asian markets. Export growth is driven by significant increases in exports of molluscs to European and Asian markets and frozen fish (HS 0303) to African and Asian markets. The increase of the share of intraregional trade in fish is mainly due to a significant increase (more than double) in the exports of the frozen fish (HS 0303) within the region, concurrent with a considerable decrease in exports of fresh/chilled fish (HS 0302) to the European markets.
- **Oilseeds (HS 12):** Exports of oilseeds amounted to USD 2.7 billion, mainly comprised of sesame seeds (USD 1.4 billion), groundnuts (USD 0.2 billion), oil seeds and oleaginous fruits (USD 0.1 billion), fruit stones and kernels and other vegetable products, including unroasted chicory roots (USD 0.1 billion). Sesame seeds mainly go to Asian markets; groundnuts mainly to Asian markets and some to African markets; oil seeds and oleaginous fruits mainly to European markets, and some to Asian and African markets; fruit stones and kernels and others mainly to Asia and European markets. Oilseed export growth is driven by significant increase in exports of sesame seeds to Asian markets (almost USD 1 billion).

Figure 7. Evolution of Africa’s Net Exported Food Products between 2005/07 to 2015/17, 1000 USD (nominal) and Share Intraregional





Source: Calculated based on data from ITC TradeMap (agricultural products include HS codes 1-24, and raw cotton HS 5201-5203)

Agricultural Imports

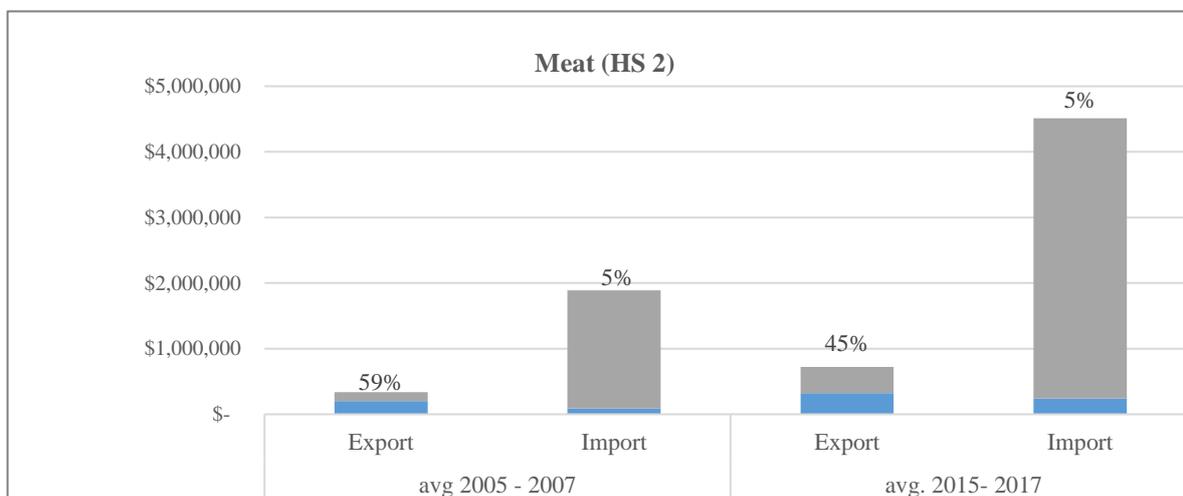
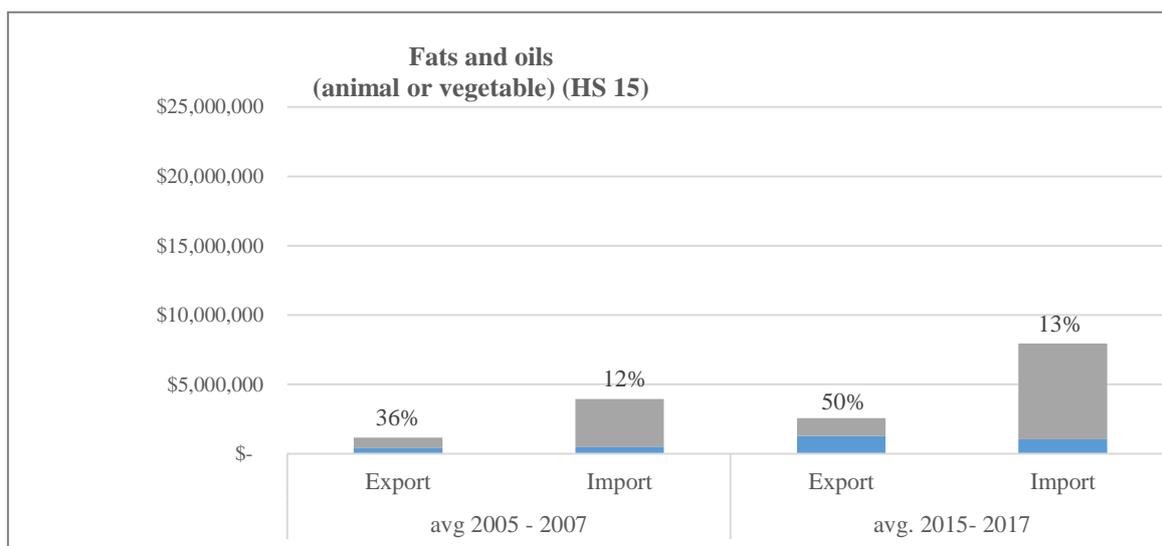
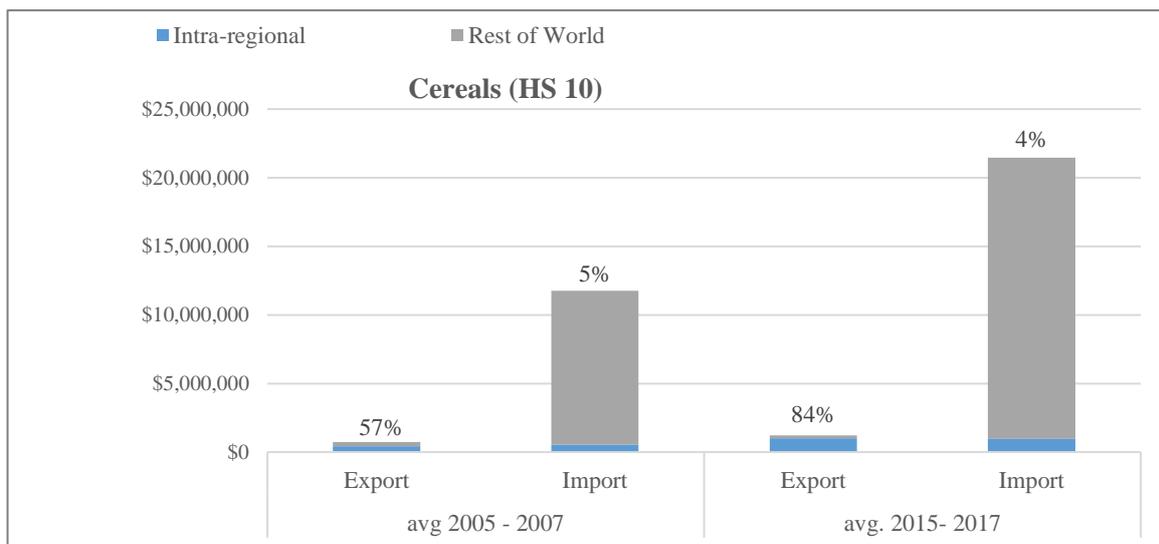
40. On average in 2015-17, Africa was a net importer of five key food product categories: cereals, fats and oils (animal or vegetable), sugar and sugar products, dairy products and meat (Figure 8).

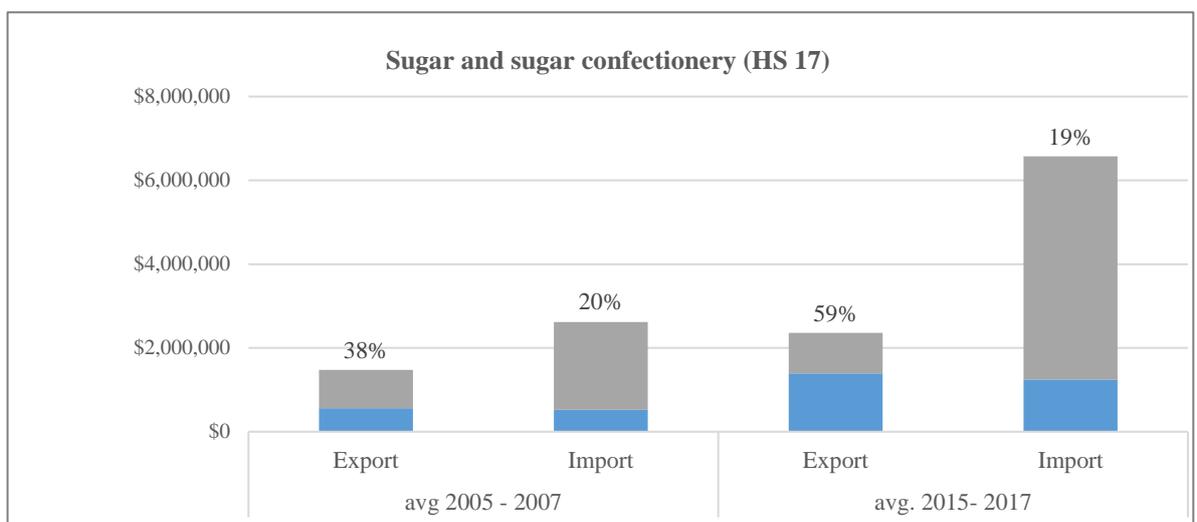
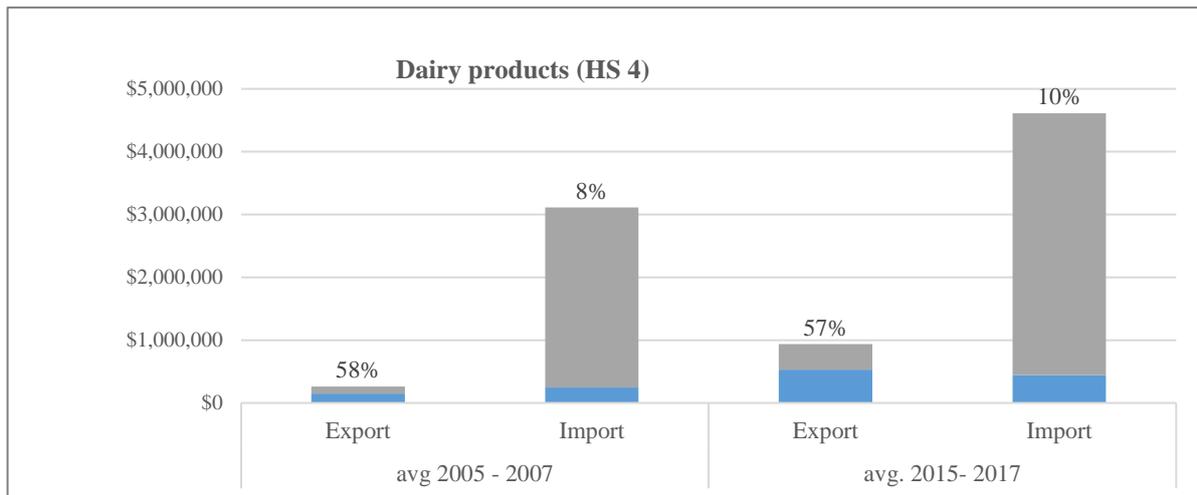
- Cereals (HS 10):** Imports of cereals amounted to USD 21 billion, mainly comprised of wheat (USD 10.5 billion), rice (USD 5.3 billion), maize (USD 3.8 billion) and barley and sorghum making up the remainder. Imports of all three products have been steadily rising over the last decade. Wheat is largely sourced from Europe, rice from Asia, and maize from Latin America and the Caribbean. While 84 percent of Africa's cereal exports are destined for African markets, this intraregional trade makes up only 4 percent of the region's total cereal imports (USD 500 million of maize and USD 180 million of rice, and smaller amounts of sorghum, wheat and millet).
- Fats and Oils, Animal or Vegetable Origin (HS 15):** Imports of fats and oils amounted to USD 8 billion, mainly comprised of palm oil (USD 3.7 billion), soybean oil (USD 1.7 billion)

and sunflower- safflower- or cotton-seed oil (USD 0.7 billion). Palm oil imports have roughly doubled over the last decade, with a steady growth in imports of soybean and sunflower-seed oils. Palm oil is largely sourced from Asia and sunflower-seed oil from Europe, whereas the sources of soybean oil are more diverse (Europe, Latin America and the Caribbean). Approximately 50 percent of Africa's exports of vegetable oils are destined for African markets, but this makes up only 13 percent of the region's imports of the product (USD 400 million of palm oil, USD 200 million of soybean oil, and USD 100 million of sunflower oil).

- **Meat (HS 2):** Imports of meat products amounted to USD 4.5 billion, mainly comprising of poultry (USD 1.7 billion) and beef (USD 1.5 billion). Imports of both poultry and beef have nearly doubled in the last decade. Latin America and the Caribbean is an important source of meat products, making up over half of Africa's beef imports, and a third of its poultry imports. Europe is another important source of poultry products, making up another third of Africa's imports. While 45 percent of Africa's exports of meat products are destined for African markets, intraregional imports make up only 5 percent of total meat imports in Africa (in other words, 95 percent of Africa's total meat imports come from outside the continent).
- **Dairy products (HS 4):** Imports of dairy products amounted to USD 4.6 billion, mainly comprising of milk and cream (USD 3 billion), cheese and curd (USD 600 million) and butter (USD 400 million), with whey, buttermilk and eggs making up the remainder. Imports of milk and cream have remained largely stable over the last decade, while those of cheese and curd and butter have roughly doubled. Europe is a key source of these imports, making up approximately half of Africa's imports of milk and cream, a third for cheese and curd, and a quarter for butter. While 57 percent of Africa's exports of dairy products are destined for African markets, they nevertheless make up only 10 percent of Africa's total dairy imports (USD 0.2 billion of milk and cream, USD 0.1 billion of cheese and curd).
- **Sugar and sugar products (HS 17):** Imports of sugar and sugar confectionery amounted to USD 6.6 billion, comprising mainly of cane or beet sugar (USD 4.8 billion). Africa's sugar imports have approximately doubled over the last decade. Most of this is sourced from Latin America and the Caribbean, although countries within Africa are also an important source, comprising 19 percent of total sugar imports.

Figure 8. Evolution of Africa's net imported food products between 2005/07 to 2015/17, 1000 USD (nominal) and share intra-regional





Source: calculated based on data from ITC TradeMap (agricultural products include HS codes 1-24, and raw cotton HS 5201-5203)