Africa's food trade: overview

Taku Fundira

SEP 2017

TRADE DATA ANALYSIS

Introduction

Due to population growth, rapid urbanization and changes in dietary patterns, there is fast-growing demand for agricultural products in global markets and in developing countries. Even though the African continent has vast agricultural potential, we have witnessed over the past three decades a rise in food imports.

This has raised the concern over Africa's ability to afford its food bill and ensure food security in the continent, while at the same time aiming to eradicate poverty. Poverty reduction strategies that have been reviewed before show that agriculture does deliver more poverty reduction than other sectors, especially in the lower-income countries (Africa included), because it has strong links with other sectors and because poor people participate more in growth from agriculture than in growth from other sector.[1]

Thus, the role of agriculture in poverty reduction in Africa cannot be over-emphasised as demonstrated by African government's willingness to promote the sector through their commitments to the Comprehensive Africa Agriculture Development Programme (CAADP) which aims to boost investment to stimulate growth in the agricultural sector[2].

Using data mainly for the period 2012-2016, this report seeks to provide an overview of Africa's food-trade. This is achieved by using trade data from the United Nations (UN) International Trade Centre (ITC) TradeMap database.

Food products in this report include edible products including fisheries classified under agricultural products in the harmonised system (HS) classification of commodities (HS01-HS22) with exception of HS06 (Live trees, plants, bulbs, roots, cut flowers etc).

We note that access to quality and reliable trade data remains a challenge in Africa and therefore at best this analysis is only indicative of the prevailing trends rather than actual situation on ground and as such should treated with caution.

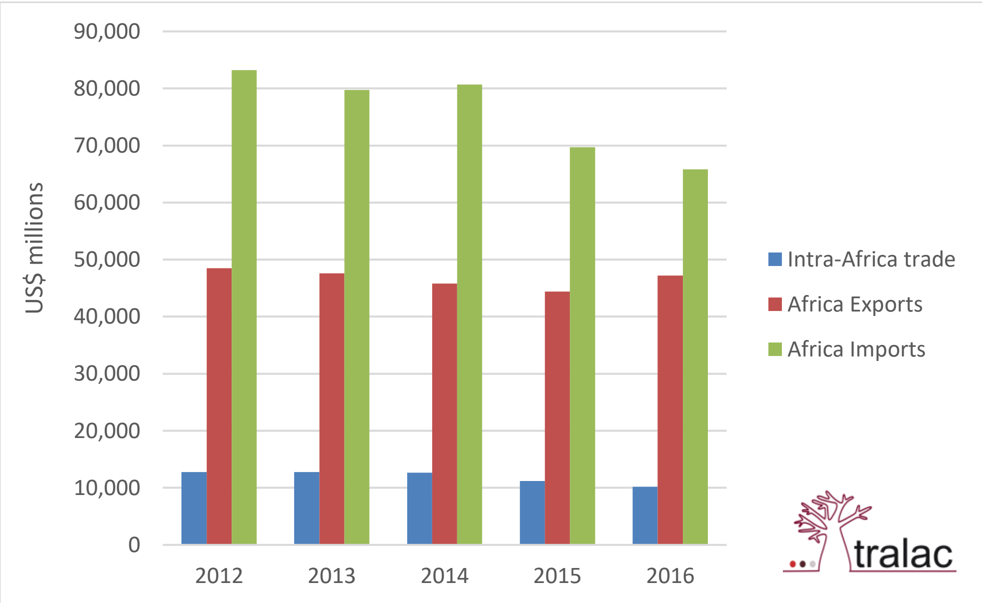
The Big Picture

As noted, Africa has the potential to feed itself as well as export surplus food to the rest of world, however, this has not been happening. Part of the problem is attributed to technical, infrastructural and institutional constraints that bog the Continent. Furthermore, trade distortions arising from (both internal and external) economic and agricultural policies (especially the protection and subsidies from developed countries and taxation on food production within Africa) have affected food productivity, production and trade in Africa[3].

Trade data over the review period 2012 – 2016 reveal that on average Africa's food trade deficit was around US$30 billion annually. However, we note that while exports have remained largely unchanged over the review period, imports have been on the decline, from a high of US$ 83 billion in 2012 down to US$ 65 billion in 2016 representing a 6% decline using compound annual growth rate (CAGR). If current predictions according to analysts hold, the import bill is expected to rise to US$ 110 billion annually by 2025[4].

Looking at the global food trade, Africa's imports and exports are only a small fraction of the world total food trade. Over the review period 2012 – 2016, African food imports and exports each represented on average about 6% and 4% of the world's food imports and exports respectively.

Africa's food trade overview (2012-2016)



Source: UN ITC TradeMap database

A look at the main African importers and sources of imports reveals the following:

- The top 5 African importers account for 50% of Africa's total food imports. These include Egypt (15%); Algeria (12%); South Africa (9%); Morocco (7%) and Nigeria (7%);
- Main sources of imports include the emerging markets of Brazil and India at the top, with several EU countries also featuring in the top 20 suppliers. Here we note that the EU as a group is the top supplier of food products due to its long standing traditional trading ties with Africa. South Africa, the only African supplier in the top 20 is ranked 4th with a 5% share of supply to the African market (from a global perspective).

- In general, most countries have experienced declines in imports. This has affected the suppliers as well; however, countries such as Ivory Coast; Somalia and Benin have either maintained or increased their imports over the review period 2012 – 2016.

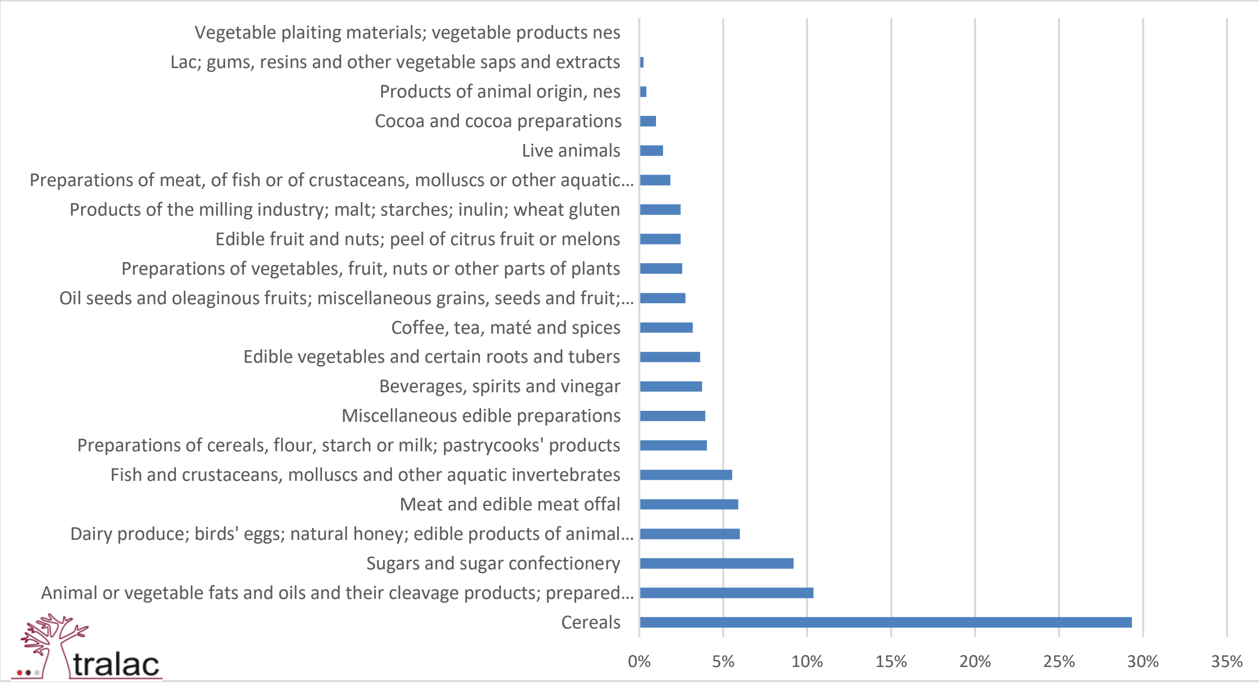
Top 20 African importers and respective suppliers (2012 – 2016) US$ (000)

Importers	2012	2016	% share	% CAGR (2012-16)	Suppliers	2012	2016	% share	% CAGR (2012-16)
Africa	**83 194 095**	**65 845 510**		**-6%**	**Africa**	**83 194 095**	**65 845 510**		**-6%**
Egypt	14 482 516	10 131 095	15%	-9%	Brazil	9 214 142	5 625 841	9%	-12%
Algeria	9 183 789	8 117 869	12%	-3%	France	5 597 608	4 628 468	7%	-5%
South Africa	6 791 081	5 747 490	9%	-4%	India	4 511 229	3 671 829	6%	-5%
Morocco	5 047 999	4 619 314	7%	-2%	South Africa	3 849 890	3 472 565	5%	-3%
Nigeria	8 137 915	4 533 107	7%	-14%	USA	5 470 385	3 238 194	5%	-12%
Libya	3 850 723	2 281 049	3%	-12%	Argentina	4 603 146	2 794 894	4%	-12%
Ethiopia	1 274 437	2 198 276	3%	15%	Thailand	2 425 182	2 406 437	4%	0%
Angola	5 768 615	2 048 687	3%	-23%	Russia	2 937 712	2 341 260	4%	-6%
Côte d'Ivoire	1 830 023	1 809 392	3%	0%	Netherlands	2 304 209	2 106 248	3%	-2%
Kenya	1 920 478	1 741 355	3%	-2%	Spain	1 869 496	1 953 574	3%	1%
Ghana	1 893 455	1 651 752	3%	-3%	China	2 395 749	1 943 650	3%	-5%
Tunisia	2 387 433	1 475 670	2%	-11%	Malaysia	1 663 962	1 939 583	3%	4%
Benin	881 785	1 290 045	2%	10%	Indonesia	2 756 317	1 815 267	3%	-10%
Senegal	1 498 956	1 229 527	2%	-5%	Ukraine	3 801 729	1 801 954	3%	-17%
Somalia	1 088 401	1 090 567	2%	0%	Germany	1 533 817	1 479 776	2%	-1%
Cameroon	1 237 113	1 060 584	2%	-4%	Canada	1 561 118	1 447 648	2%	-2%
Mauritius	1 155 810	1 053 305	2%	-2%	Italy	1 386 633	1 274 254	2%	-2%
Zimbabwe	1 191 526	966 517	1%	-5%	UK	1 159 528	1 224 059	2%	1%
Djibouti	896 731	878 259	1%	-1%	New Zealand	1 302 643	1 172 136	2%	-3%
Tanzania	1 206 210	849 589	1%	-8%	Turkey	1 006 593	1 050 711	2%	1%
Rest of Africa	**11 469 099**	**11 072 061**	**17%**	**-1%**	**Rest of World**	**21 843 007**	**18 457 162**	**28%**	**-4%**

Source: UN ITC TradeMap database and author's calculations

Over the review period, what is striking is the dominance of basic foodstuffs such as dairy products, edible oils and fats, meat and meat products, sugar and especially cereals, implying that food imports have been instrumental in ensuring food security in Africa. This is confirmed by trade data which shows that cereals alone are the largest commodity imports. Although the composition of food imports varied slightly over the review period, cereals (including rice, maize, and wheat), edible oils; sugar and sugar confectionary; and livestock products (dairy and meat) at any given period, represented over 60% of Africa total food imports.

Share of Africa's food imports from World by product (2016)



Source: UN ITC TradeMap database

Next, we look at the exporters in Africa and note that over 90% of exports are covered by the top 20 exporters with the top 5 once again accounting for over 50% of total African food exports. South Africa; Ivory Coast; Morocco and Egypt all have double digit share of exports.

In terms of destinations, the main destination is the EU which as a group accounts for 39% of Africa's total exports, with the Netherlands and France, Spain, the UK and Germany as main destinations. This is mainly because of the long-standing trading relationship wherein African agricultural exports have received preferential access to the EU market over the past few decades. The US is also a major market and here countries benefit from the African Growth Opportunity Act (AGOA) preferences which include some agricultural products. Beyond the EU and US, some exports are destined to Asia countries (India; China; Vietnam; Japan and Malaysia); Middle East (Saudi Arabia and UAE); and Kenya and Zimbabwe as the top importers from Africa on the global level.

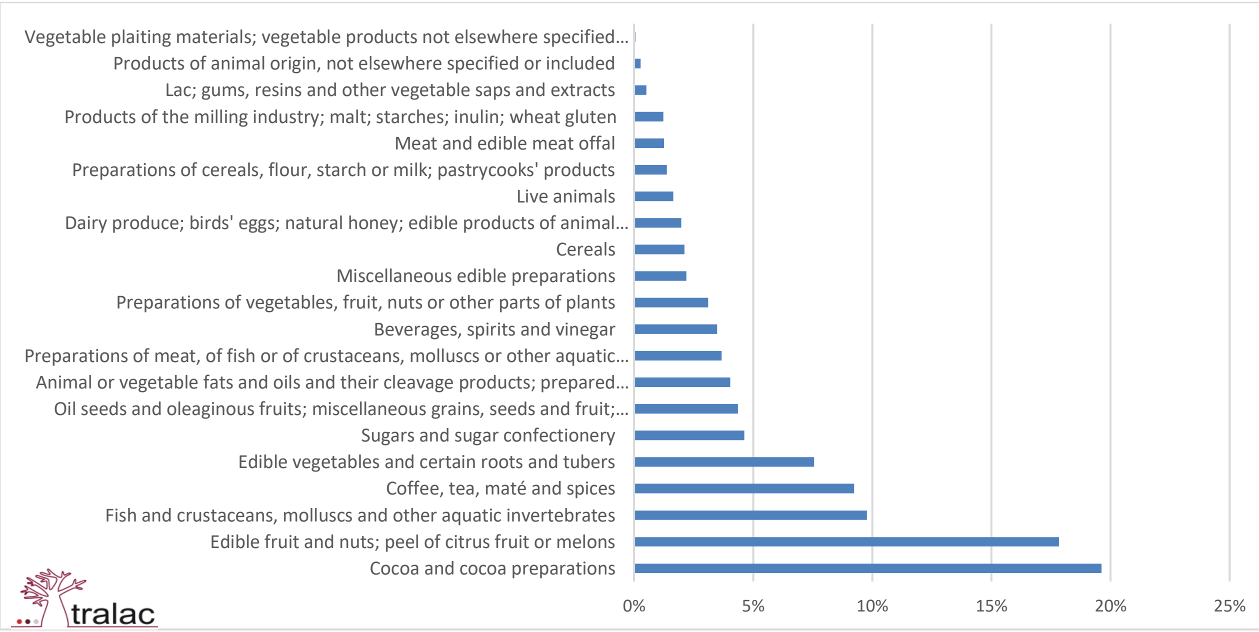
Compared to food imports, Africa's agricultural exports have remained relatively stagnant. Furthermore, there is limited diversification that has occurred in Africa in terms of its agricultural and food exports over the review period 2012 – 2016 and even prior to that. Africa's food exports composition shows that the traditional exports (coffee, cocoa, tea, and spices) along with fruits; vegetables; edible oils; sugar and beverages still cover an important share (over 65% in 2016) of agricultural food exports and remain the largest components of food exports It is important to note that cereals are among Africa's other main agricultural exports but cereals' export shares have been fluctuating and most importantly as shown in next section, most of the cereal exports are for markets within Africa, while exports of fruits and vegetables, as well as coffee, cocoa, and spices, are mostly for markets outside the continent.

Top 20 African exporters and respective destinations (2012 – 2016) US$ (000)

Exporters	2012	2016	% share	% CAGR (2012-16)	Importers	2012	2016	% share	% CAGR (2012-16)
Africa	**48 474 747**	**47 203 759**		-1%	**Africa**	**48 474 747**	**47 203 759**		-1%
South Africa	8 365 784	8 155 322	17%	-1%	Netherlands	3 686 543	4 127 719	9%	3%
Côte d'Ivoire	4 643 309	7 305 293	15%	12%	France	2 506 551	2 969 772	6%	4%
Morocco	3 690 776	4 688 417	10%	6%	USA	2 616 282	2 714 608	6%	1%
Egypt	4 128 134	4 579 254	10%	3%	Spain	2 376 344	2 578 448	5%	2%
Ghana	2 627 311	3 185 213	7%	5%	UK	2 573 779	2 132 041	5%	-5%
Kenya	2 569 561	2 228 430	5%	-3%	India	1 237 644	1 971 977	4%	12%
Ethiopia	2 174 736	2 040 281	4%	-2%	Germany	1 530 401	1 891 611	4%	5%
Tanzania	1 201 642	1 275 744	3%	2%	Italy	1 824 767	1 794 865	4%	0%
Uganda	1 130 485	1 202 318	3%	2%	Belgium	1 799 510	1 511 065	3%	-4%
Tunisia	1 585 135	1 104 872	2%	-9%	Saudi Arabia	1 128 472	1 451 818	3%	7%
Cameroon	732 489	961 373	2%	7%	China	791 714	1 078 321	2%	8%
Namibia	1 348 673	927 373	2%	-9%	Russia	696 049	1 006 353	2%	10%
Madagascar	403 804	894 523	2%	22%	Viet Nam	342 546	1 004 966	2%	31%
Senegal	594 032	837 796	2%	9%	Japan	1 054 879	914 619	2%	-4%
Mauritius	787 048	787 078	2%	0%	South Africa	1 235 510	855 403	2%	-9%
Mauritania	580 188	638 502	1%	2%	Malaysia	681 155	759 787	2%	3%
Nigeria	6 768 654	601 724	1%	-45%	UAE	741 526	705 384	1%	-1%
Somalia	401 458	534 904	1%	7%	Turkey	447 782	612 467	1%	8%
Seychelles	409 949	491 352	1%	5%	Kenya	555 139	603 834	1%	2%
Swaziland	502 502	449 712	1%	-3%	Zimbabwe	964 498	601 347	1%	-11%
Rest of Africa	**3 829 077**	**4 314 278**	**9%**	**3%**	**Rest of Africa**	**19 683 656**	**15 917 354**	**34%**	**-5%**

Source: UN ITC TradeMap database and author's calculations

Share of Africa's food exports to World by product (2016)



Source: UN ITC TradeMap database

Intra-Africa Trade

The level of African intra-trade food products is low in comparison with its total trade volume. Trade data reveals that over the review period 2012 – 2016 on 20% of African food exports stayed in Africa, whereas 84% of Africa's total agricultural imports originated from outside the continent. South Africa dominates as the main supplier in the African market. It should be noted that it is also the top destination of intra-food imports. Countries that have increased their imports of food from Africa include Kenya; Ivory Coast; Mozambique and Mauritius among others.

Top 20 intra-African exporters & intra-African importers (2012 – 2016) US$ (000)

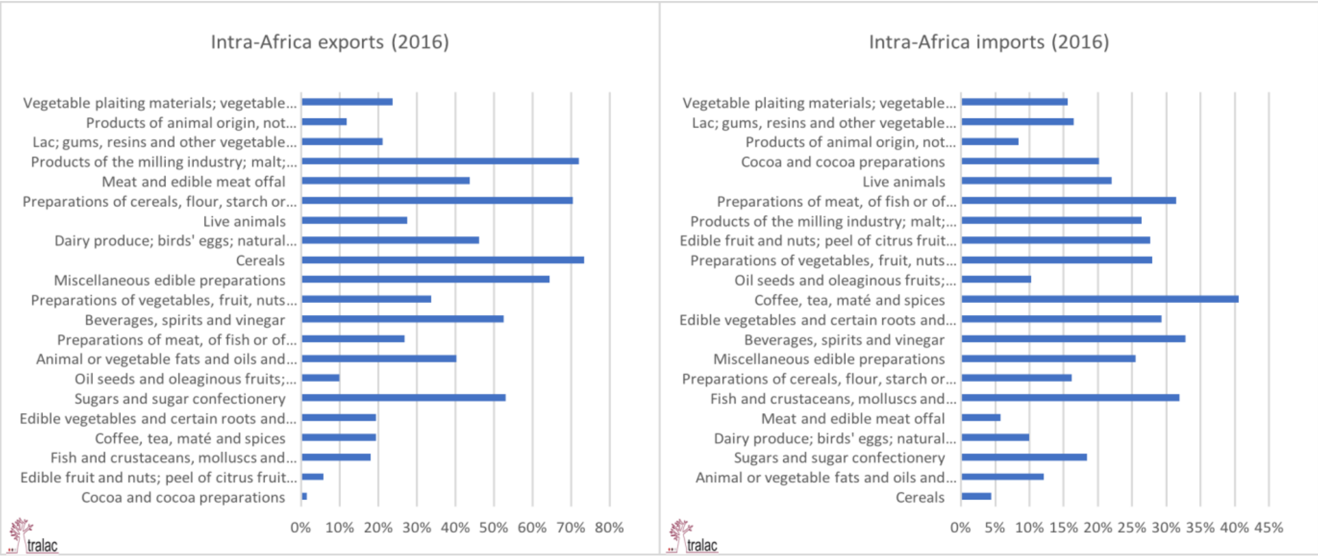
Exporters	2012	2016	% share	% CAGR (2012-16)	Importers	2012	2016	% share	% CAGR (2012-16)
Africa	**12 756 946**	**10 168 940**		**-6%**	**Africa**	**11 645 562**	**10 316 589**		**-3%**
South Africa	3 876 716	3 474 652	34%	-3%	South Africa	1 129 328	826 918	8%	-7%
Egypt	851 585	804 889	8%	-1%	Zimbabwe	1 009 297	723 401	7%	-8%
Morocco	495 347	555 879	5%	3%	Namibia	714 969	645 715	6%	-3%
Namibia	849 667	502 196	5%	-12%	Botswana	650 862	611 537	6%	-2%
Kenya	716 529	462 310	5%	-10%	Kenya	389 753	603 834	6%	12%
Uganda	390 818	437 669	4%	3%	Côte d'Ivoire	267 333	397 472	4%	10%
Ethiopia	426 622	413 916	4%	-1%	Egypt	389 666	391 124	4%	0%
Senegal	293 498	374 426	4%	6%	Libya,	753 285	366 629	4%	-16%
Côte d'Ivoire	709 603	324 088	3%	-18%	Zambia	358 043	361 620	4%	0%
Swaziland	281 500	300 195	3%	2%	Mozambique	224 231	354 677	3%	12%
Zambia	753 743	222 333	2%	-26%	DRC	588 707	334 285	3%	-13%
Ghana	266 581	201 194	2%	-7%	Algeria	333 494	329 148	3%	0%
Rwanda	219 272	177 816	2%	-5%	Lesotho	301 626	307 032	3%	0%
Mauritania	100 423	173 147	2%	15%	Somalia	347 263	304 823	3%	-3%
Tanzania	313 151	166 391	2%	-15%	Ghana	294 510	239 427	2%	-5%
Sierra Leone	1 898	159 857	2%	203%	Mauritius	143 448	234 977	2%	13%
Tunisia	596 853	142 835	1%	-30%	Swaziland	279 104	227 471	2%	-5%
Zimbabwe	186 759	139 522	1%	-7%	Morocco	214 449	226 850	2%	1%
Algeria	54 281	120 941	1%	22%	Cameroon	137 641	226 171	2%	13%
Togo	95 723	107 962	1%	3%	Nigeria	341 661	220 466	2%	-10%
Rest of Africa	**1 276 377**	**906 722**	**9%**	**-8%**	**Rest of Africa**	**2 776 892**	**2 383 012**	**23%**	**-4%**

Source: UN ITC TradeMap database and author's calculations

Top intra-food traded products include; sugars; beverages; coffee, tea and spices; edible oils as well as cereals. Important to note however, that the share of intra-trade of food over the total food trade varied greatly among commodities and was high in some cases. Cereals (73%), Products of the milling (i.e. malt; starches; inulin; wheat gluten) industry (72%); Cereal (flour, starch or milk; pastry cooks' products) preparations (71%); Spreads and dressings (64%); Beverages (53%); Sugars (53%); Dairy products (46%) and Meat (44%) were the most intra-exported food products out of Africa's total export of these products. Conversely, over 90%exports of products such as fruits and vegetables, coffee, cocoa, tea, spices went abroad.

The most intra-imported products were coffee, cocoa, and tea (41%), Beverages (33%); Fisheries (32%); and Preparations of meat or fish (31%). While some African countries have been importing their cereals, oils and fats, and dairy products from other African countries, such intra-imports have remained less than 10% of Africa's total imports for these products; the rest, about 90 percent, is imported from outside the continent, especially from EU, Brazil, India, the US among others as highlighted already.

Comparison of African intra-imports and intra-exports of food (2016)



Source: UN ITC TradeMap database

In conclusion, there is scope for Africa to become a surplus food exporter. However, this requires several changes to the business as usual approach, with less rhetoric and more concerted efforts, especially in terms of implementation of policy, increased productivity, skills development and enhanced market integration. There is therefore a need to shift from primary agricultural exports to value added processing. Here the whole value chain from variety, seed, harvest, storage, processing, and export should be strengthened. Access to finance and security of tenure are areas that also need serious considerations given that traditional approaches to financing in Africa have had limited success rates. Lastly African countries should take advantages of opportunities that arise from regional integration and the tripartite and continental free trade agreements (TFTA and CFTA) have the potential to increase intra-regional trade and promote regional value chain development and food security in Africa.

---

[1] Christiaensen, L. Demery, L. 2007. *Down to Earth: Agriculture and Poverty Reduction in Africa*, The World Bank, Washington. [online]: http://siteresources.worldbank.org/INTPOVERTY/Resources/335642-1130251872237/DownToEarth_final.pdf

[2] See: http://www.nepad.org/programme/comprehensive-africa-agriculture-development-programme-caadp

[3] Rakotoarisoa, M.A. Iafrate, M. Paschali, M. 2011. *Why Has Africa Become a Net Food Importer? Explaining Africa agricultural and food trade deficits*, Food and Agricultural Organisation, Rome, [online]: http://www.fao.org/docrep/015/i2497e/i2497e00.pdf

[4] IFAMA, 2017. *Bucking the trend of Africa's Food Trade Deficit*, Panel Discussion, International Food and Agribusiness Management Association (IFAMA) World Conference, Miami, Florida. [online]: http://www.bfap.co.za/documents/Articles%20and%20Conference%20Papers/IFAMA%20Africa%20Panel%202017%20final.pdf