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**Progress in the implementation of the regional
integration and trade programme**

Developing and promoting regional strategic agricultural commodity value chains for food security and sustainable development

I. Introduction

A. Background

1. Agricultural transformation is part of structural transformation. Transforming African agriculture successfully is necessary to achieve the central mission of the African Union and its institutions: to transform Africa. In much of Africa, growth in gross domestic product (GDP) and particularly productivity has been elusive and disappointing as can be shown in both the agricultural and industry sector shares of it (figure I). The quality of growth has been poor and not accompanied, by a sufficient creation of what matter the most namely high income generation and more remunerative job creation, largely due to the fact that the rise of the modern industrial economy is still halting and is not generating sufficient demand for attracting high-paying labor. Birth rates, however, are high despite lower death rates. The combination of developments — including a decline in farm job opportunities without an increase in good non-farm job opportunities for the rising labor force — explains the widespread poverty and high unemployment that still characterize Africa. The way out is to industrialize.

2. With the world population set to increase from 7.5 billion, to reach 9.7 billion by 2050, and to fall towards 2100, Africa is the only region with a population expected to increase rapidly from 1 billion people now (or 16 per cent of the world total) to 2.3 billion (or 25 per cent) by 2050, and to reach a still higher level of around 4.34 billion (40 per cent) by 2100. In this context, one of the most significant threats to global and local peace, security and stability — but not well answered — is the looming global food insecurity to face by all means and save humanity from more unforeseen famines.

3. In 2016, some 793 million people – approximately 11 per cent of the world’s population – remained “food insecure” was undernourished (FAO, 2016).¹ Out of this total population of undernourished people, Africa accounts for about 230 million people. While the number of hungry people has declined elsewhere globally, Africa has witnessed a rise of the number of hungry people by 49 million over the period 1990–2016. This is a sharp reminder that the continent missed Millennium Development Goal 1 in 2015, in particular, target 1c of halving the proportion of the chronically undernourished. What all that means in real terms is that one out of every five Africans is chronically malnourished with the fundamental basic right to food for all still not met.

4. To respond to the challenges outlined, on 25 September 2015, countries around the globe adopted a set of goals aimed at ensuring prosperity for all, while protecting the planet as part of a new agenda: the 2030 Agenda for Sustainable Development. As part of this commitment, Goal 2 and its targets are inherently connected to almost all of the other Goals.² Beyond the right to food, which has been repeatedly and clearly spelled out, a concerted global effort is required to “End hunger, achieve food security and improve nutrition and promote sustainable agriculture”.

5. Against that backdrop and the change in gear required to go forward, it is essential to lay the foundations of a successful agricultural transformation and rural growth in Africa. In order to achieve the goals of basic livelihood in Africa, ECA is focusing on agriculture transformation, food security and land-related works. The priority goals include:

- Food security³ for all;
- Employment-creating non-farm rural and non-agricultural sectors, especially to reduce high youth unemployment;
- Greater resilience to shocks both natural and man-made, including droughts, floods, and hikes in the price of food.

B. Why a fresh critical thinking is needed quickly in order to turn Africa the world future food factory and food trade hub

6. With the shared foundational concerns outlined and understood, the present report provides extra new evidence of and insights into the challenges and opportunities faced currently. It also proposes recommendations for addressing the missing value added tasks, links or required goods and services, while shedding more light on ways forward to create a more conducive working environment and new job creation and income-generating opportunities for young people and other vulnerable value chain actors through the development of agribusiness and regional value chains (discussed in the sections to follow). In doing so, the report contributes to ongoing critical thinking to fill in gaps and help connect the vulnerable value chain participants to the emerging lucrative market opportunities to come with the Continental Free Trade Area (CFTA) that is under currently negotiation and, ultimately, to the African Union Common Market for Value Added Agriculture Products

¹ Food and Agriculture Organization of the United Nations, Food Security Indicators, Rome, 2016.

² For details on these linkages, see the Report of the Secretary General on Agriculture to the Seventy First Session of the General Assembly, 3 August 2016. <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>

³ As stated in the 2006 Declaration of the World Summit on Food Security, the term “food security” refers to a situation “.. when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food, which meets their dietary needs and food preferences for an active and healthy life.”.

(AUCMAP). A snapshot of the structural challenges, constraints and opportunities not to miss is provided in the following discussion.

II. Challenges and constraints

7. As mentioned earlier, global agriculture needs to provide food for 7 billion people now and close to 9 billion people by 2050. To make ends meet by this date, global food output will need to increase rapidly, by at least 70 per cent compared with what it is today, according to FAO. The question is where such a big boost will come from in order to meet growing food demand in the current climate of uncertainty and in such a short period of time.

8. To contribute in any meaningful way to facing the challenges, the agriculture-based (and rural) economies of any region of the world, including Africa, must successfully be transformed by increasing agricultural productivity, through the creation or strengthening of more resilient agriculture value chains that are well-anchored to the development of agribusiness and agro-industries. The *ECA Economic Report on Africa 2009* explores the topic in depth, as further complemented by the update provided in the present report whose recommendations are drawn for the most part from ECA most recent reports on the subject.⁴

9. Income from economic activity will need to be increased; and, to be economically sustainable, higher income must be matched by higher productivity. That will require both increasing productivity within sectors and a shift of productive resources between sectors and activities, from those with lower productivity, such as agriculture, to those with higher productivity, such as manufacturing (see figure I), giving special attention to commodity-based smart agro-micro industrialization.⁵ In Africa, this has not yet happened (see figures I–III). As shown in figure I), compared to the rest of world, Africa has performed very poorly across sectors in terms of value added content generation. Today, the continent still accounts for about 16 % of GDP (which represents 4 per cent of the world's), with manufacturing and services sectors faring at 10 per cent (which represents 17 per cent of the world's) and 54 per cent (66 per cent of the world's), respectively.

10. Africa's agriculture productivity still lags behind other developing regions of the world. Yields are 56 per cent of the international average, and private sector involvement beyond production remains relatively underdeveloped, particularly in upstream activities, such as seed and fertilizer distribution, and downstream activities, such as dry and cold storage and agro-processing. Beyond the production stage and within the manufacturing black box, Africa has also fared poorly in terms of value added per worker for the sector as a whole compared to other regions for the period 1997–2014. As shown in figure II, Africa excluding North Africa has remained among the bottom rung players with value added per worker consistently below \$4,000 for the period 1997–2014. For the same period, it is worth noting the remarkable performance in productivity gains achieved in North America, among other parts of the world. Figure I indicates that North America far surpassed the rest of the world, with productivity consistently rising from \$34,000 in 1997 to \$78,000 in 2014.

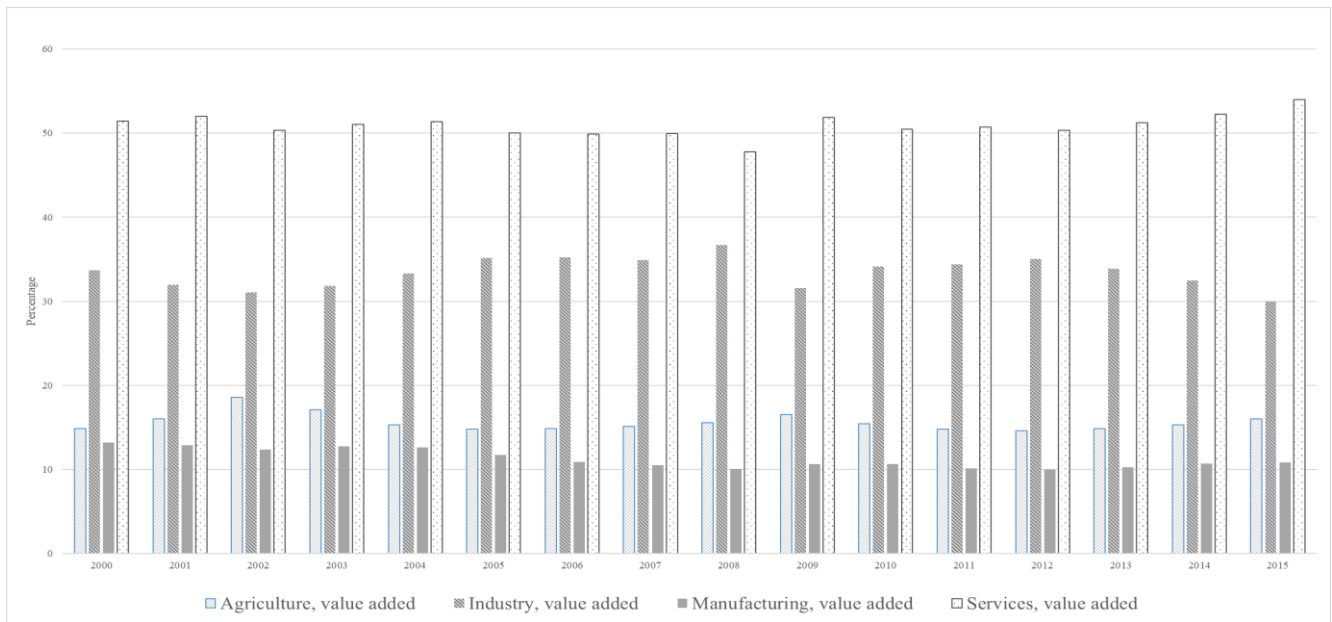
⁴ ECA, 2016. Rethinking of Africa's agribusiness and agro industrial clusters for sustainable development; Transforming African agriculture through regional value chains. <https://www.uneca.org/publications/economic-report-africa-2009>; Making the most of Africa's Commodities: industrializing for growth, jobs and economic transformation. <https://www.uneca.org/publications/economic-report-africa-2013>.

⁵ M. Morris and J.Fessehaie. The industrialization challenge for Africa: Towards a commodity based industrialization path. *Journal of African Trade*, vol. 1, No. 1, December 2014, pp. 26-36.

Following North America is Europe and Central Asia, where productivity grew from \$7,000 in 1997 to \$13,000 in 2014.

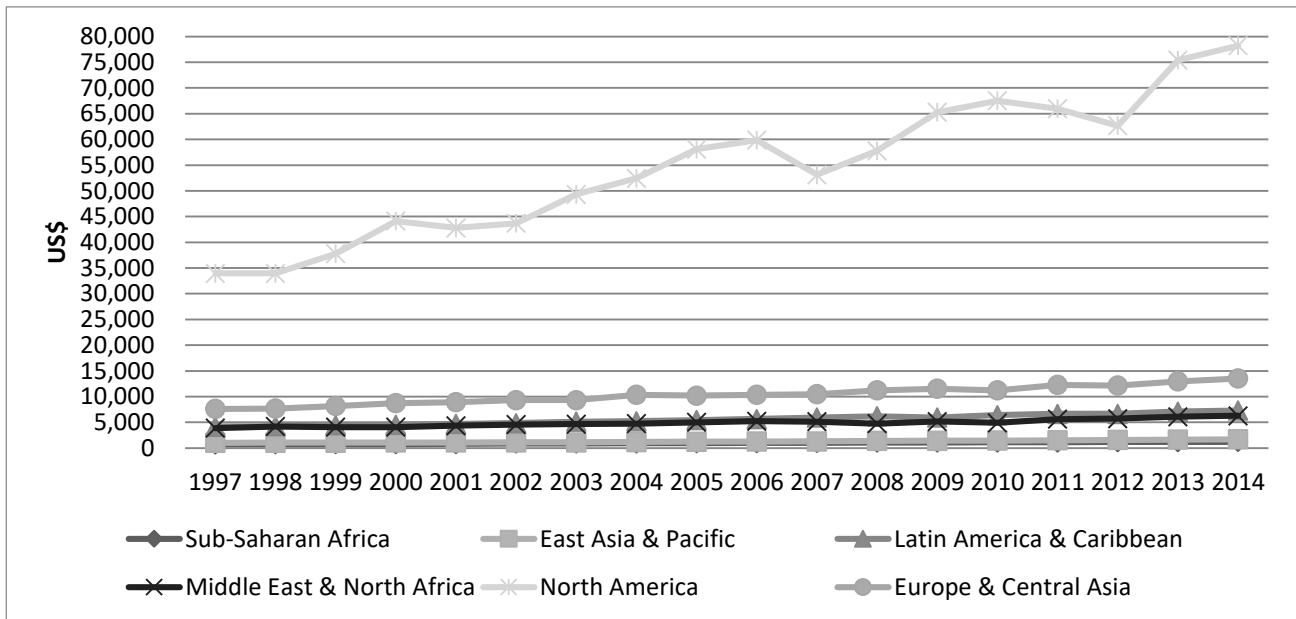
11. Beyond the low productivity performance and very limited value added content scoring, African countries are engaged in global value chains but at the lower ends of stages in global food chains. As a result, Africa’s share in global manufacturing value added has stood at around 1.5 per cent but has also declined, which underscores the urgency of acting quickly on manufacturing and particularly agro-processing – an entry point well within reach for the majority of African economies.

Figure I. Africa value added per sector of activity (percentage of gross domestic product)



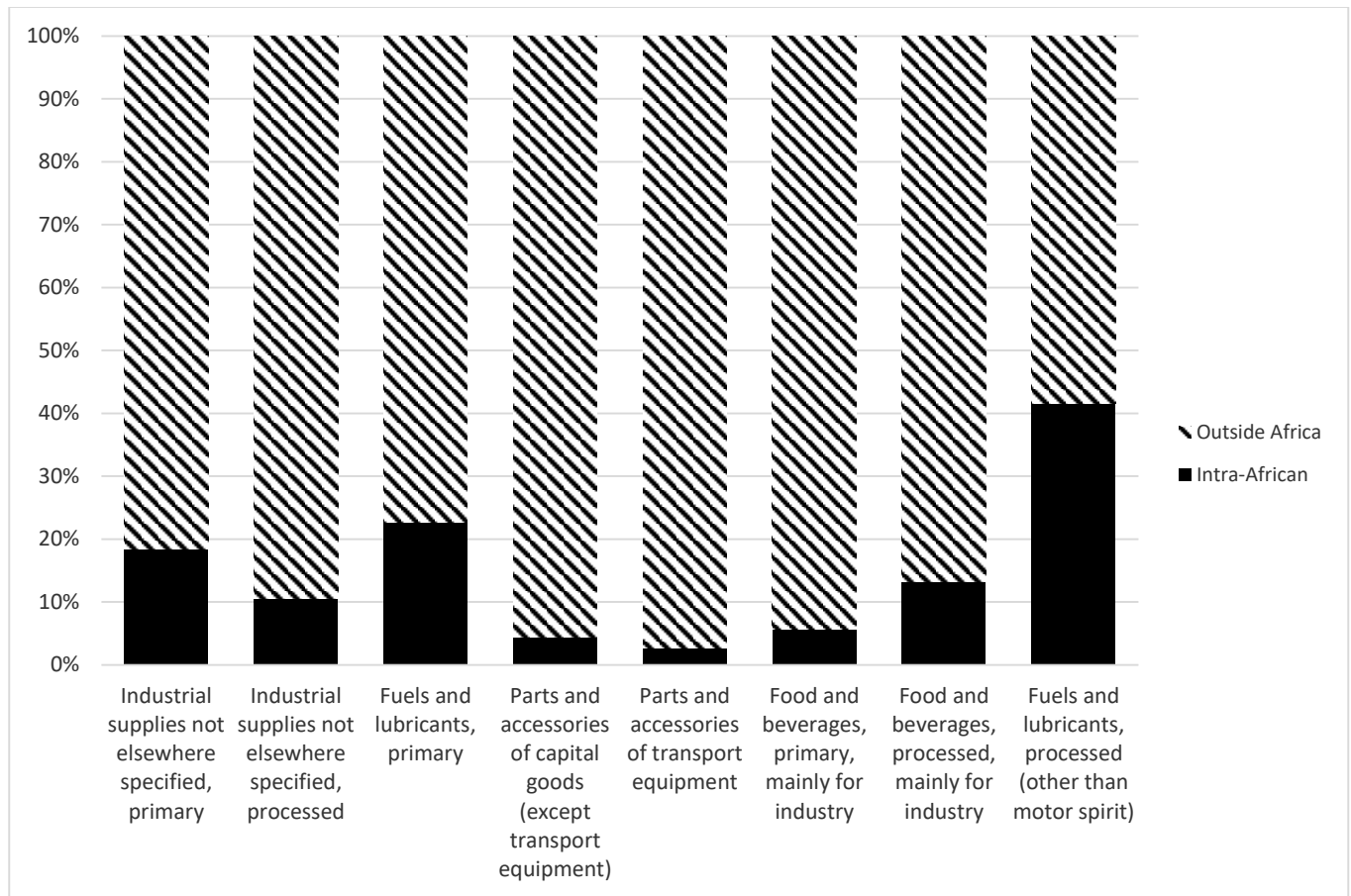
Source: ECA calculations based on COMTRADE and Trade map data

Figure II. Regional trends of agriculture value added per worker (constant 2010 US dollars)



Source: ECA calculations based on FAO and UNCTAD STAT data

Figure III. Share of Africa’s intermediate imports by separate intermediates, 1995-2015



Source: ECA calculations based on UNCTAD STAT data

III. Emerging regional value chains development, agro-clustering and agro spacing opportunities

12. It is no secret that Africa trades and invests little with itself. For the basic food items alone, the potential revenue losses by 2063 speak volume. As can be well noted in costing of the estimated agricultural and food import bills shown in table 5 in annex, massive financial resource drains should be expected in trillion dollar terms by 2050 and beyond if nothing is done now to curb the worrisome trends, quite apart from the foregone millions of agribusiness jobs.

13. A fast track implementation of the continental agribusiness strategy through the development and promotion of integrated and competitive value chains and smart agro micro industrial clusters is in order considering the growing and unsustainable financial pains ongoing with rapid population and urban growth. Such an undertaking starts with a full understanding of the specificities of African agriculture (figure IV), which explores what African agriculture really means and what it takes for those in the driving seats – the African governments - to transform it successfully to the benefit of those who farm the land, as a priority.

IV. Transforming African agriculture through competitive regional value chains, agribusiness and innovative agro-industrial clusters and spaces.

A. Developing and promoting regional value chains in Africa call for focus and prioritized strategic commodities, agro clusters and spaces.

14. An in-depth knowledge of the continent is needed to develop the right value added agriculture policies including regional agricultural value chains and agro-industrial clusters and competitive agro-spaces. The specificities of the African continent, despite having been widely discussed on various occasions, are not necessarily well understood, in particular, the Agraria Africa concepts that still missing at many levels of joint decision-making and agreed upon Pan-African schemes execution. The present contextualization and discussion, are compelling in the argument that Africa be regarded as a coherent whole rather than as a crumbling collection of 55 so-called independent States. Such a consolidated configuration of Africa deserves a regional policy commensurate with its natural integration. Africa, a special continent, would be qualified by some as very special indeed. To ignore it is to play against itself.

15. It is essential that full advantage be made of the diversity that the African continent provides by virtue of its varied geographic settings and its climatic variety (figure IV), which are reflected in, among other sectors, the richness of its agricultural sector and its untapped productivity potential to still harness. The question arises of how useful it is to design a regional policy for any sector in Africa, agricultural or other. A united Africa is no match for any single African country, in terms of potential and capacity to produce, add value and market what is produced fresh from inside Africa to make the made in Africa a reality. The abiding challenge still to overcome is its structural man-made fragmentation and resulting policy inconsistency and structural value adding performance deficit.

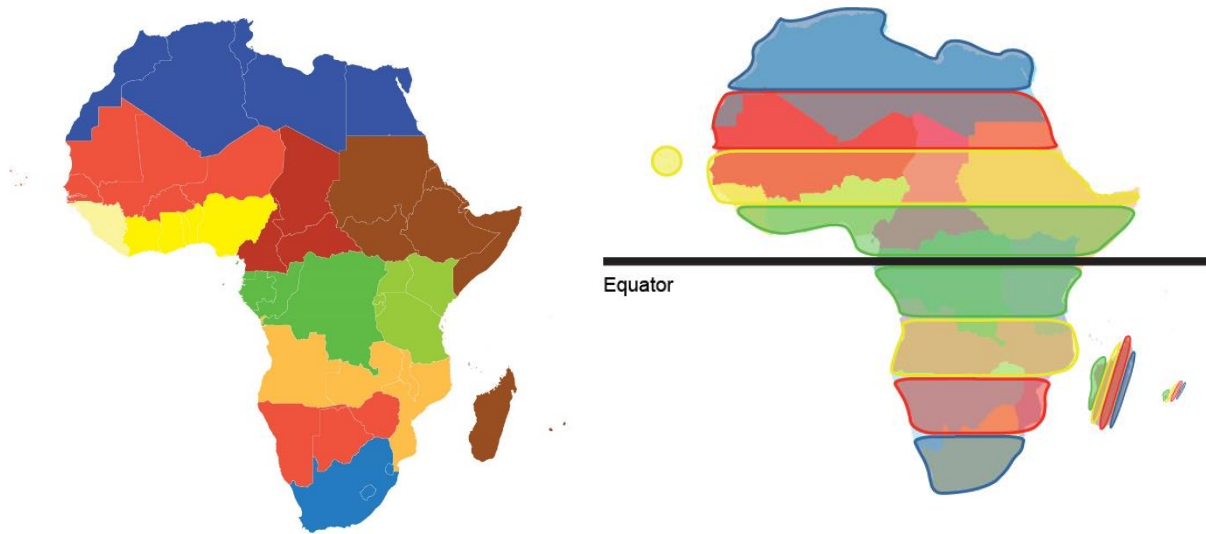
16. It is also essential to assess constraints and obstacles in order to effectively avoid, circumvent or transform them into integrated solutions or transformative opportunities through well-studied rules and principles once policies have been adopted. In this context, the question of how useful it is to design a regional value added content policy for any sector arises when account is taken of the extraordinary peculiarities of the African continent. As shown in figure IV, divided by the equator into two equal hemispheres, Africa is subject to all possible climates from North to South. A symmetry of the climates on both sides of the equator allows the unique advantage to alternate every six months and produce a significant variety of vegetation twice annually. To conceive agricultural policies that stick to this sumptuous reality is matched only by poetry born of wonder at the order and beauty of nature that created Africa! Africa can then dictate this policy that no single African country can do! United, Africa has no match on earth when to produce, to add value and market what is produced competitively within and outside its borders.

B. Towards shaping a common integration and cooperation agenda for action

17. As mentioned earlier, the African continent comprises a variety of climatic conditions, and geographic features but unique when combined as one in a symmetric fashion apart the equator. Coordination or partial integration of the agricultural sector and the development of regional agricultural value chains and agro-industrial clusters would be an advantage. Countries with similar agro-climatic conditions, for example, can be grouped together. For this reason, a new configuration of the grouping or clustering of African countries is proposed to bring together countries belonging

to the same agro-climatic zones (figure IV). In that analysis, the 55 states of Africa are subdivided into 12 sub regions or agro spaces from North to South, and Agricultural programmes will be undertaken according to the respective climatic conditions. As already well documented, the fragmentation of Africa into ‘small’ States is one of the constraints that have beset the continent. Harmonization can be achieved in a cluster or sub region by applying, for example, the same policies, the same strategies, the same practices, and the same legislation. A good case in point is to come together beyond border considerations as often demonstrated to control effectively crop pests or transboundary plant diseases, such as locust invasions.

Figure IV: A new country-clustering set, according to established agro-ecological and climatic zones



Source: United Nations Economic Commission for Africa. 2017. Jointly improving our capabilities to develop regional value chains, agro industrial clusters and spaces in *Africa – a synthesis Report*.

18. The starting point is the following 12 African agriculture clusters, set in accordance with Africa’s naturally established agro-ecological bands:

1. **Egypt**, Libya, Tunisia, Algeria, Morocco
2. **Niger, Mali**, Burkina Faso, Mauritania, Gambia, **Senegal**
3. Guinea, Guinea-Bissau, Cabo Verde, Sierra Leone, Liberia
4. Sudan, **South Sudan, Ethiopia**, Eritrea, Djibouti, Somalia
5. **Côte d’Ivoire**, Ghana, Togo, **Benin**, Nigeria
6. **Cameroon**, Central African Republic, Chad
7. **Kenya, United Republic of Tanzania, Uganda**, Rwanda, Burundi
8. Equatorial Guinea, Sao Tome, Gabon, Congo, **Democratic Republic of the Congo**
9. **Angola, Zambia**, Malawi, Mozambique
10. **Namibia**, Botswana, Zimbabwe
11. Madagascar, Comoros, Seychelles, Mauritius
12. South Africa, Swaziland, Lesotho

19. Building on the revealed clustering and spacing approach discussed above and prioritization criteria gained from expert insights and evidence from the field, the following summarizes the methodology and the findings obtained from the regional baseline and country cluster assessment studies carried out in the context of the ECA development account project mentioned earlier. The study focused on selected prioritized commodities and sampled countries within clusters and as highlighted in bold in the list of 12 clusters presented above. The illustration of the sampled cluster 1 countries (Benin, Côte d’Ivoire, Mali, Niger, Senegal) is provided in tables 1-4 to provide context and understanding of the methodology followed to assess and quantify the potential of the strategic commodity regional value chains in each cluster. Selected evidence is also provided where possible on the underlying competitiveness indicators which guided the decisions to route the commodities reviewed within a given transport corridor of choice taking the product from where it is produced to where it is consumed in a given cluster.

Table 1. Selected traded and routed agricultural commodities via selected West African corridors reviewed

Country	Agro-corridors	Products
Niger	Niamey – Cotonou	Meat-Livestock
	Niamey – Dakar	Meat-Livestock
	Niamey – Lagos	Meat-Livestock
Benin	Cotonou – Lagos	Rice
	Cotonou – Niamey	Maize
Mali	Bamako – Abidjan	Meat-livestock / Maize
	Bamako – Dakar	Meat-Livestock/Maize/Rice
Côte d’Ivoire	Abidjan – Bamako	Rice
	Abidjan – Niamey	Maize
Sénégal	Dakar – Bamako	Rice/Meat – Livestock

Source tables 1-4: Calculated in the context of the DA Project. Regional value chains baseline and clusters assessment. synthesis report 2016.
Notes: the product quality is perfumed rice and non-perfumed rice. Landed Value at the consuming centre.

Priority commodities and competitiveness analysis leading to potential regional value chains in cluster 1 – rice, maize and livestock sector findings

20. In summary and for the cluster 1 countries case study (Benin, Côte d’Ivoire, Mali, Niger, Senegal), the normal cost of production and transformation of the local rice to its milled format is found at around CFA⁶ Franc 310,000. As or less at the origin (Senegal), taking into account all applicable

⁶ CFA is the acronym for Communauté Financière Africaine (African Financial Community). It stands for both the West African CFA franc and the Central African CFA franc, two currencies that, even though separate, are in practice interchangeable and which have a fixed exchange rate to the euro. USD\$1 is estimated at about CFA Franc 500.

Dakar-based surcharges against the competition, which stood in January 2015 at CFA Franc 260,000-275,000 (India Origin), CFA Franc 260,000-275,000 (Thailand, non-perfumed rice), CFA Franc 275,000 (USA origin), CFA Franc 300,000-350,000 (Thailand, perfumed rice) in January 2015. Furthermore, the local rice, when landed in Bamako via the Dakar corridor, was sold at CFA Franc 442 250 compared to a landed price of CFA Franc 365,000 and CFA Franc 420,000 for the imported non-perfumed rice and perfumed rice of extra African origin (Thailand, India, USA), respectively. As a result, the price of the rice originating from Senegal, when landed in Bamako, is not competitive, holding everything else constant in terms of shipping value of and between Senegal and Côte d'Ivoire. Despite the high level of informality surrounding the agro-trade corridor used (table 2), the maize of Côte d'Ivoire origin appears competitive in the Abidjan-Niamey corridor due to the fact that the maize landed value is lower to the parity price, as shown. However, and in the same vain, the price of the rice of Côte d'Ivoire origin was found not to be competitive in the Abidjan-Bamako corridor. Mali is retained as the most promising low-cost rice provider to Cluster 1.

Table 2. An analysis comparing the competitiveness of the value chain of rice and maize in two corridors

Corridor	ABIDJAN-BAMAKO	ABIDJAN-NIAMEY
Product (CFA/tonne)	Rice	Maize
Domestic value added	393 847	183 602
Landed value	422 250	206 551
Parity price	365 000 (non-perfumed)	215 000
	420 000 (perfumed)	

21. Maize produced in Mali is well appreciated by several maize value chains actors and exported from Mali to Côte d'Ivoire and Senegal, and largely used for poultry feed. Despite its appreciation by the trade, the maize routing via the Bamako-Abidjan and Bamako-Dakar corridors were found relatively uncompetitive (table 3). Explanations for the deficit in competitiveness include many ongoing non-tariff barriers and surcharges (such as roadblocks and illicit fees).

Table 3 - An analysis of the competitiveness of the value chain of maize in two corridors

Maize (CFA/ton)	CORRIDORS	
	Bamako-Abidjan	Bamako-Dakar
Domestic value added	270 570	351 741
Landed value	458 299	600 372
Parity price	150 000	155 000

22. In Nigeria, the locally milled rice is poorly distributed on the Lagos market, where it sold at CFA Franc 476 000 per ton compared to the directly imported rice, which sold at CFA⁷ Franc 437 000. As a result, and at such a prohibitive pricing rate, local rice appears too expensive and not accessible to the average consumer of Nigeria. With such a gap, the rice originating from Nigeria cannot compete with the rice imported from extra trade origin or the one re-exported from Benin. Price competitiveness does not tell the full story. Indeed, in addition to being of better quality, imported rice is also available in all distribution formats (standard, long grain, broken), thus offering a variety of choice to consumer and an edge to the imported rice in the two markets, everything else being equal. On the Lagos market, it appears that the rice imported into Nigeria via Benin (rice re-exports from Cotonou) is competitive in terms of price. That is not the case of the rice of Benin origin (produced in Benin).

23. As can be shown, all the meat value chains routes considered were found competitive due to the fact that the reference price were largely higher compared to their corresponding landed price, as shown in table 4. This is more so when the ratio of landed price relative to the reference price is low. The more this ratio is lower, the more the price competitiveness is strong. According, the Niamey-Dakar corridor is more competitive than the Niamey-Lagos and that of Niamey-Lagos is more competitive than Toutakou-Niamey. In any case, these corridors have each established comparative advantages in routing the meat-livestock involved. Despite this advantages, it is worth mentioning that the development of the meat value chains has been hampered by the unfair competition arising from the low quality poultry meat imported at very low prices. This explains why the poultry imports to Niger has skyrocketed from 92 tons in 1992 to 25,000 tons in 2015. The very low protection level of around for the poultry applied tariff rates of 5 per cent instead of 35 per cent provides also some of the explanation behind the observed exploding import trend.

Table 4. An analysis comparing the competitiveness of the value chain of livestock-meat in three corridors (in CFA)

Désignation	Toutakou – Niamey	Niamey – Lagos	Niamey – Dakar
Domestic value added (Value Ajoutée Nationale or VAN)	238 775	127 676	11 700 000
Landed value (VE : Valeur D'Expédition)	326 000	457 699	14 264 900
Reference price (Prix de référence)	575 000	595 000	23 400 000
VE/Prix de référence	1,7	1,3	0,6

Priority commodities and competitiveness analysis leading to potential regional value chains in cluster 2 – wheat, maize and livestock sector findings

24. The evidence shows the export economies of the three cluster 2 countries to be very different but with very little trade with one another: Egypt's export is dominated by manufacturing, Sudan's export

⁷ Source : www.resimao.net

is dominated by fuel and Ethiopia's export is dominated by agricultural commodities. Moreover, the current import and export volume of the three countries is marginal. There is real potential for developing strong regional value chains among the three countries, should they invest in one another's economies to establish agro-corridors, harmonize their grain and livestock policies, and integrate their food markets. As can be noted over the period under review, Egypt imported maize valued at \$1.68 billion from the world, but none from Ethiopia or Sudan. Ethiopia imported only 3.7 per cent of its maize needs from Sudan, while Sudan imported 5.8 per cent of its maize needs from Ethiopia.

Priority commodities and competitiveness analysis leading to potential regional value chains in the sampled countries cluster 3 – maize, rice and milk sector findings

25. **In the case of Cluster 3: Kenya, United Republic of Tanzania, Uganda**, whereby and in the same way the potential priority or most traded regional supply/value chains reviewed, for example, maize, rice and livestock, were assessed against the corresponding competing lead foreign supply/value chains to cluster 3. Kenya was found to be not as competitive in maize production as competing international maize supply chains. Kenya proved not as competitive in rice production as well as the competing international rice supply chains. Kenya cannot outcompete as well-established foreign suppliers of dairy products on a price basis. With the structural deficits faced in Kenya in rice and maize but better equipped with managerial skills compared to the other two cluster members, this makes clear room for cooperation with the other cluster members, Uganda and the United Republic of Tanzania, to potentially position themselves to supply cluster 3 with the candidate priority regional strategic commodity value chains assessed – maize, rice and milk.

Priority commodities and competitiveness analysis leading to potential regional value chains in the sampled countries cluster 4 – beef sector findings

26. Within the sampled country cluster 4 grouping and its immediate sphere of agro-trading dependence, the priority top 3 regional supply/value chain considered (rice, fish and palm oil) were assessed against the supply/ chains of the corresponding competing lead foreign supply/value chains to cluster 4. Rice, fish and palm oil were found very promising with the potential to build regional value chains on the clearly set criteria of high relevance to the cluster and the ECCAS region. On rice, palm oil and fish, Angola, Burundi, Gabon, Equatorial Guinea, Rwanda, Sao Tome, Central African Republic, Congo, and Chad were found most indicated to closely cooperate with cluster 4 country members (Democratic Republic of the Congo and Cameroon), by investing well, to put in place rice, palm oil and fish, regional value chains that compete effectively to reduce imports of rice, palm oil and fish from the following major extra rice, palm oil and fish trade suppliers (**rice**: Argentina, Brazil, China, India, Pakistan, United States of America, Viet Nam; **palm oil**: France, Indonesia, Malaysia, Portugal, Singapore, United Arab Emirates, Spain; **fish**: Argentina, china, France, Japan, Hong Kong, Portugal, Ireland, Netherlands, Norway, Portugal, Uruguay, Spain, United States of America to the cluster 4 countries reviewed (see Tables 5-7).

Table 5: Rice imports form ECCAS and the rest of the world, in tonnes.

Importers	From ECCAS	From rest of the world	% From outside ECCAS	Top Suppliers
Angola	0	118,678	100	USA, Portugal, Thailand
Burundi	1	14,600	100	Tanzania, Japan, Uganda
Cameroon	267	500,496	100	Thailand, Pakistan, Vietnam
CAR	1,571	26,047	94	Pakistan, (Cameroon), USA, Thailand
Chad	140	1,204	88	China, Thailand, India, (Cameroon)
Congo	223	36,048	99	Thailand, India, Vietnam
DRC	7,166	67,832	89	Uganda, Vietnam, (Rwanda), Tanzania
Gabon	0	55,931	100	Thailand, Vietnam, Argentina
Eq. Guinea	0	17,095	100	Thailand, India, Brazil
Rwanda	3	50,703	100	Pakistan, Tanzania, India
Sao Tome	52	6,788	99	Portugal, Japan, Thailand
ECCAS	9,423	895,422	99	

Source tables 5-7: Calculated based on UNCTAD STAT data in the context of the DA Project, Central Africa report and regional value chains development synthesis report 2016.

Table 6: Palm oil imports from ECCAS and Rest of the World (ROW), in tonnes

Importers	From ECCAS	From rest of the world	% From outside ECCAS	Top Suppliers
Angola	2,190	19,692	89	Malaysia, Singapore, Indonesia
Burundi	3,577	6,694	47	(DRC), Tanzania, Uganda, Kenya
Cameroon	965	34,650	97	Malaysia, Indonesia, Cote d'Ivoire
CAR	629	5,218	88	Malaysia, Indonesia, (Cameroon), France
Chad	43	85	50	(Cameroon), Malaysia, UAE, Spain
Congo	660	36,529	98	Malaysia, Indonesia, Singapore
DRC	392	34,111	99	Uganda, Indonesia, Kenya
Gabon	2,388	15,343	84	(Cameroon), Malaysia, Indonesia, Singapore
Eq. Guinea	12	7,272	100	Malaysia, Indonesia, Singapore
Rwanda	5,860	24,715	76	Uganda, Kenya, (DRC), Mauritius
Sao Tome	0	103	100	Spain, Indonesia, Portugal
ECCAS	16,716	184,412	91	

Table 7: Fish imports from ECAS and the ROW, in tonnes

Importers	From ECCAS	From rest of the world	% From outside ECCAS	Top Suppliers
Angola	1	38,472	100	South Africa, Mauritania, Portugal
Burundi	36	252	86	Tanzania, Uganda, (Rwanda, DRC), Kenya
Cameroon	76	207,935	100	Mauritania, Senegal, Ireland
CAR	144	2,804	85	Namibia, Senegal, France, (Cameroon)
Chad	21	315	93	Nigeria, Netherlands, Belgium, USA, (Cameroon)
Congo	2	46,259	100	Norway, China, Mauritania
DRC	992	117,889	99	Hong Kong, Egypt, Japan
Gabon	2	7,795	100	Uruguay, Argentina, Netherlands
Eq. Guinea	10	14,717	100	China, Spain, Argentina
Rwanda	7	9,843	100	Tanzania, Uganda, Kenya
Sao Tome	0	153	100	Portugal, USA
ECCAS	1,291	446,434	99.7	

Priority commodities and competitiveness analysis leading to potential regional value chains in the sampled countries cluster 5 – maize, soybean and beef sector findings.

27. It is interesting to note that although Namibia is structurally deficit in maize, it is generally a net exporter of maize flour, since it imports maize from neighbors and processes it into flour. The exception was in 2012, when it had a trade deficit of 4385 MT of maize flour. For that reason, there is an element of regional value of maize that needs to be developed. Between 2010 and 2014, Namibia exported a total of 19900 Metric Tons (MT) and recorded a trade surplus of 7462 MT of maize flour. Nonetheless, Zambia has remained the major exporter of maize flour among the three countries. It recorded a trade surplus of 24,463 MT, while Angola remains a net importer of maize flour, recording a trade deficit of 1,071,314 MT over the five-year period. The findings further reveal that between 2010 and 2014, Angola imported more volumes of maize flour than Namibia and Zambia put together. Significant trading in maize products exists between Zambia and other members in the region, such as Botswana, Democratic Republic of the Congo, Malawi, South Africa, United Republic of Tanzania and Zimbabwe, but little trade took place between Namibia and Angola, despite being good neighbors. The study concluded that in cluster 5, there is a potential to cooperate and integrate by strengthening the regional maize value chain links within the cluster, keeping in mind that the low-cost cluster producer (Zambia) has a long way to go to compete with maize of extra African origin and capture a slice of the lucrative agribusiness markets that Angola presents. It is also worth keeping in mind that it is cheaper to export maize grain and seed from Zambia to Namibia than Angola. In addition, it is relatively cheaper for Zambia to import most of the maize products from Asia (India and China) and Europe rather than from neighboring countries in the cluster reviewed and the sub region at large. Accordingly, a political decision will have sometimes to be made to secure regional preference for product of within cluster or intra-African origin in order to see strategic agricultural commodities regional value chains and clusters taking hold across Africa.

28. In Angola, the largest importer of beef among the three cluster 5 baseline countries, beef imports averaged around 6,195 MT per annum (figure VI). Zambia's beef imports have been fluctuating during the five-year period (2010-2014), ranging between 14 and 289 MT. Among the three countries, Zambia imports the smallest quantities of beef averaging to 130 MT per year. Although Namibia exported large amounts of beef, it imported on average about 926 MT per annum. However, the imports have declined from 2200 MT in 2011 to 124 MT in 2014. Cooperating more to develop a regional beef value chain is well conceivable and could turn mutually beneficial among the selected sampled countries reviewed. It is already happening with Angola as a key outlet to invest more and initiate agro industrialization towards greater diversification.

V. Conclusion

29. The development and promotion of agricultural value chains and agro-industrial clusters provide a sound platform, through building incentives and linkages, to enhance investing in the agricultural sector. Investing in agriculture is certainly one effective means that can address not only hunger and malnutrition but also other challenges, including poverty, water and energy scarcity, climate change, and non-sustainable production and consumption, thus contributing to a number of Goals enshrined in the 2030 Agenda for Sustainable Development. Indeed, developing and promoting value chains and industrial clusters provide an appropriate joint super platform with an ability to unlock and upscale investment for inclusive and sustainable industrialization with relevance for many of the Goals. Taking that route could facilitate agro-industry for sustainable agriculture in Goal 2, the economic growth of Goal 8, the poverty eradication of Goal 1. More importantly, it could contribute substantially, through encouraging agro-industry and agribusiness while advancing industry, infrastructure and innovation in the context of Goal 9.

30. Regional value chains and competitive agro-industrial clustering in all primary commodities studied across and within the five clusters reviewed are feasible and certainly beneficial to African smallholder farmers, if regulated and organized in the interest of those who farm the land, as a priority. With countries not being at the same level of development, the focus needs to be on the following: cooperation, harmonization, integration first while improving access to inputs and technology; moving up in value chains; filling the required infrastructure gaps to connect the clusters and support the foundation and structure of the regional value chains at all levels; building the institutional capacity of policymakers and other value chain stakeholders; developing and protecting nascent industries to effectively bring about smart agro-micro industrialization.

31. Harmonizing value chains and agro-industrial clustering policies, standards, regulatory frameworks and infrastructure in a regionally coordinated manner within and between clusters, and within and between the regional economic communities, is a must in order to overcome the challenges faced and seize the revealed clearly missed smart agro-micro industrialization opportunities.

Annex:

Table 8. Product Groups (annual growth rates, 2000-12 average and 2012 values in millions dollars, 2025 and 2063 Projection Trends in trade (within Africa and with the rest of the world) for selected food and agricultural product groups, annual growth rates, 2000-2012 average and 2012 values (US millions of dollars), by 2050 and 2063 projections

Product description	Intra African Trade										Trade with Rest of the World												
	Export					Import					Export					Import							
	GRW	AVG	2012	2025	2063	GRW	AVG	2012	2025	2063	GRW	AVG	2012	2025	2063	GRW	AVG	2012	2025	2063			
All food items	12%	11080	11508	155960	3724938	12%	11687	12355	53911	3999097	9%	36467	36741	112641	2977847	15%	69476	78067	480330	97287568			
Food, basic	12%	9475	9847	133450	3187301	12%	9945	10580	46166	3424560	9%	33635	33738	103434	2734455	15%	65735	73733	453663	91886511			
Food, basic excluding tea, coffee, cocoa and spices	12%	8327	8555	115940	2769103	12%	8737	9287	40524	3006039	9%	20674	21448	65755	1738354	15%	63509	71191	438023	88718655			
Beverages and tobacco	11%	1605	1660	18304	340079	11%	1742	1774	6889	363434	8%	2832	3004	8170	152164	13%	3741	4335	21233	2207952			
Agricultural raw materials	7%	1092	1032	4892	32528	6%	906	875	1866	17085	9%	12560	12273	37627	994723	13%	7248	7747	37945	3945792			
Food and live animals	11%	8245	8529	94043	1747310	12%	8706	9200	40144	2977879	9%	31225	30987	95000	2511487	14%	55783	62961	345808	50259601			
Fish, crustaceans, molluscs and preparations thereof	15%	947	1031	25663	1284838	14%	997	1084	5954	865320	4%	4657	4908	8172	36275	16%	3350	3888	26772	7535008			
							Table 8 continues on the next page for ease of reading																

	Intra African Trade										Trade with Rest of the World									
	Export					Import					Export					Import				
	GRW	AVG	2012	2025	2063	GRW	AVG	2012	2025	2063	GWR	AVG	2012	2025	2063	GRW	AVG	2012	2025	2063
Cereals and cereal preparations	8%	1484	1577	9259	79881	11%	1925	2281	8858	467302	12%	602	461	2012	149218	13%	23566	26782	131179	13640919
Wheat (including spelt) and meslin, unmilled	4%	83	78	192	576	6%	109	114	243	2226	18%	3	2	17	9269	13%	11879	13184	64575	6715028
Rice	9%	231	198	1437	16048	13%	280	291	1425	148215	1%	100	77	88	128	15%	4907	5500	33840	6854133
Maize (not including sweet corn), unmilled	5%	318	325	998	3913	11%	541	702	2726	143817	21%	337	247	2944	4118612	12%	3615	4138	18056	1339398
Vegetables and fruits	15%	1382	1470	36590	1831923	13%	1275	1258	6162	640739	11%	9600	9828	38165	2013432	14%	3934	4612	25331	3681601
Sugar, sugar preparations and honey	8%	1017	887	5208	44930	9%	1068	935	2867	75781	6%	1370	1403	2992	27394	15%	5590	6088	37458	7586902
Coffee, tea, cocoa, spices, and manufactures thereof	12%	1148	1292	17510	418198	12%	1208	1293	5642	418521	9%	12961	12290	37679	996101	19%	2226	2542	24394	18116345
Cotton fabrics, woven	4%	146	159	392	1175	5%	145	153	289	1842	3%	222	219	322	989	7%	3737	4105	9892	129386
Total processed products	11%	7065	7204	79433	1475862	11%	7436	7647	29695	1566618	7%	10497	10728	25853	338136	14%	36962	41347	227095	33005888
Total value added food	10%	3562	3631	32513	468871	11%	3851	4014	15587	822336	7%	5461	5493	13237	173134	16%	18362	21397	147335	41467737

Source: ECA calculations based on UNCTAD STAT data

Note: AVG is Mean 2010-2012; GRW is per annum growth rate over 2000-2012