



COLEACP

MARKET STUDY OF FRUIT AND VEGETABLES FROM SUB-SAHARAN AFRICA

EXECUTIVE SUMMARY

Sub-Saharan African agriculture and food: there are many challenges, but structural change is under way, particularly in the fruit and vegetable sector

Over the past 30 years Africa has been a net importer of agricultural products, and the continent still faces multiple threats and weaknesses. But Africa also has many assets to successfully transform its agriculture: its human resources and its youth in particular; 25% of the global landscape suitable for the cultivation of plants that can stimulate the continent's development and feed its population; current technologies that enable farmers to use water, plant protection products and fertilizers in a much more efficient and environmentally sustainable manner; a favourable macro-economic context with, in particular, the creation of an African Continental Free Trade Area that demonstrates Africa's political will to combine the continent's economic growth with the strengthening of inter- and intraregional trade. The growth in purchasing power, demographic vitality and consumer concerns in terms of health and nutritional quality also represents a great development opportunity for micro, small and medium-sized enterprises (MSMEs) in African countries active in the agricultural sector, particularly in the fruit and vegetable sectors. Moreover, the emergence of new distribution channels and marketing opportunities for higher value-added products processed locally are routes to sustainable development for these MSMEs.

It is against the backdrop of this structural change in sub-Saharan Africa, and with the desire to draw on evidence and "facts on the ground", that COLEACP's Market Intelligence department decided in 2017 to launch a study of the fruit and vegetable market in sub-Saharan Africa. The main objective is to gain a better understanding of trade dynamics and marketing trends at the national, regional and international levels, and specifically to identify the most promising value chains for the actors in agricultural processing in Africa and, in particular, for the millions of small entrepreneurs and family farms represented by fruit and vegetable producers in sub-Saharan Africa.

This market study of fruit and vegetables in Africa identifies the opportunities

In light of this economic context and the results of our work, this first market study of fruit and vegetable value chains in sub-Saharan Africa demonstrates the following key sectoral and market facts.

- Regardless of the geographical scope of the market considered, demand for fresh and processed fruit and vegetables is increasing everywhere, constituting a buoyant market for suppliers who know how to meet the demand and are able to seize the many opportunities.
- The historical export market for fruit and vegetables from sub-Saharan Africa – the European Union – has not been the primary or most dynamic market in terms of volume growth for several years now. East Asia and sub-Saharan Africa itself, with average annual growth rates of around 10% over the past 15 years, have become the leading and most promising markets.



- However, the European Union remains an attractive export market because of the good value of fruit and vegetables from sub-Saharan Africa.
- New fruit and vegetable export markets for sub-Saharan Africa have clearly emerged (Middle East, Russia, Switzerland, etc.).
- The marketing of fruit and vegetables from sub-Saharan Africa is diversified at both sectoral (value chains) and geographical levels. However, greater diversification in the number of actors and the number of products traded can mean better integration and greater resilience. Thus, alongside the marketing of large volumes of bananas and cashew nuts to the EU and East Asia, respectively, avocado, mango, coconut, fresh and dried vegetables, roots and tubers, and melons and watermelons are all promising market segments for major exports. While Niger onions, processed tomatoes and fruit juices are experiencing strong market growth at the regional and local levels, the market for other fruits and vegetables is growing rapidly.
- The dynamism of fruit and vegetable exports from sub-Saharan Africa varies between regions and member countries. In particular, it still depends on the historical performance of traditionally large exporters, such as South Africa for the Southern African Development Community (SADC) or Kenya for the East African Community (EAC). This should not obscure less well-known or more recent “success stories”, such as those of Senegal to the EU, Niger at the intraregional level, or East African countries to the Middle East.
- Trade in fruit and vegetables within sub-Saharan Africa (intracontinental or interregional) is increasing steadily and sharply. This reflects a dynamic supply-and-demand situation. Trade within sub-Saharan Africa is growing much more quickly than trade with and to the EU, with an average growth rate over the period 2002–2017 of 10.3% compared to 1.1% for the EU but 9.6% for Asia (by volume terms). The SADC, dominated in terms of trade by South Africa, is the largest exporter among the four Regional Economic Communities (RECs) studied.
- Intraregional trade in fruit and vegetables in SADC is currently by far the largest among the RECs examined in this report. However, the growth of intraregional trade within SADC is relatively slow (about 3% per year) compared to its trade with external regions (13% per year). Despite regional integration, as in the case of other RECs, intraregional trade is still constrained by, among other things, tariff and non-tariff barriers and lack of logistics infrastructure.
- In national markets, and for each of the 20 sub-Saharan African countries studied in detail at this stage, by aggregating the results of the country analyses we have been able to confirm that opportunities are many and varied. Each fruit or vegetable value chain is at a different stage of maturity. In particular, note the numerous potentialities for processed fruits and vegetables (fruit juices, cassava flour, canned vegetables, processed tomato, dried fruits, cashew nuts, etc.).

These are all opportunities for sustainable markets if the obstacles to their development continue to be removed or overcome. These are all challenges for COLEACP and its partners: developing skills, disseminating knowledge and know-how on a larger scale for all actors in the value chains, with the emphasis on added value (processing), while improving access to markets, particularly local markets. This is the purpose of this market study, which provides a springboard for future work which must, in a current context of uncertainties related to COVID-19 but also opportunities demonstrated by this research, continue to produce strategic information for stakeholders in the development of the fruit and vegetable sector, and more broadly the agri-food sector, in sub-Saharan Africa.