

AGRICULTURAL EXPORTS: MIXED RESULTS WELL BELOW THEIR POTENTIAL

Exports of agricultural products now account for only 13% of all African exports, a long way behind those of oil, gas and ore. They are nevertheless critical for a number of countries, where they exceed 50% of total export value. Heavy dependence on two or three products is the rule in many countries and a source of weakness. The low level of processing for these products remains a challenge at a time when trade partners are diversifying.

• Major differences between countries

After an overall decrease since 2000 (when it stood at 20%), the share of agricultural products in total African exports of goods and services now seems to have stabilised at between 10 and 15%, with variations according to the mining boom, and even seems to be gaining some ground. The sharp fall in non-agricultural commodity prices over the last two years will undoubtedly enhance the role of these exports in trade.

The average values nevertheless mask considerable disparities within Africa, ranging from less than 1% to more than 80% of exports depending on the country. In the oil producing countries, agricultural products are marginalised or even virtually absent from exports. At the other end of the spectrum, agricultural products account for the majority of exports in around 15 countries, especially in East Africa, but also in Malawi, Benin and the Central African Republic.

Africa still makes a limited contribution to international agricultural markets (3.8%) and has not recovered its market share of the 1960s. The contributions of the different African countries differ greatly: the 10 largest exporters account for three quarters of all agricultural exports. The leaders are South Africa, Côte d'Ivoire, Egypt and Morocco, which all belong to different sub-regions. The heavy dependence on a limited number of products is another key characteristic of the structure of African exports. For most countries, 50 to 75% of exports are concentrated on two types of products. Cocoa accounts for 65% of agricultural exports in Côte d'Ivoire and 50% of those in Ghana. Half of all Egyptian exports are based on fruits, vegetables and cotton, and 78% of Moroccan exports are based on fruits, vegetables and fishery products. This concentration of exports on just a few products is often inherited from the imperial self-sufficiency policies of the European colonialist countries in the first half of the 20th century, which targeted a small number of products including coffee, cocoa and tea, oilseeds and fruits. This historical specialisation is surprisingly enduring, although it has not prevented the emergence of new exports (vegetables, flowers and fishery products).

• A slight reduction in the coffee-cocoa-fruit specialisation

The structure of agricultural exports (2012-2014) by product type is still dominated by the "tropical beverages" category, in other words

coffee, cocoa and tea, as well as by fruits and vegetables, each category accounting for 20% of total agricultural exports; but the relative importance of these products is diminishing, as they represented 26% and 21% respectively for the 2009-2011 period. The balance has shifted in favour of animal products (basically fishery), timber, and oilseeds.

Fruits and vegetables slightly exceeded tropical beverages in terms of agricultural exports. The traditional sectors are bananas and pineapples in the tropical zones and citrus fruits in the Mediterranean region. But exports of fresh vegetables or fruits, such as mangos and papayas, are rapidly developing. The whole continent is concerned by these fruits and vegetables, which are usually a high value-added sector.

Cocoa, which alone accounts for two thirds of the tropical beverages group, is highly concentrated in the Gulf of Guinea countries (Côte d'Ivoire is the world's number one producer and Ghana is vying with Indonesia for second place, followed by Nigeria and Cameroon). Although it is making some progress, as in Côte d'Ivoire, local processing is still a very weak point. African coffee production has been progressively marginalised in countries such as Kenya, Côte d'Ivoire and Angola. Tea exports are mostly from Kenya, which is one of the global market leaders, ahead of Vietnam, Sri Lanka and China.

Oilseeds, a traditional African export sector along with groundnuts, sesame and oil palms, declined in the 1990s, before benefiting in the last 10 years from growing demand from the emerging Asian countries (China and India in particular), mostly for palm oil, whose production has been revived (Nigeria, Côte d'Ivoire, Central Africa), especially with Asian investors. New export sectors are also being established, such as sesame in Ethiopia and cashews in Côte d'Ivoire, which has become the world's

leading exporter of raw cashew nuts. Africa provides almost half of all raw nut production, but loses out on kernel exports to Asian producer countries (India and Vietnam), which are also importers. Olive oil is also being revived in Tunisia and Morocco, driven by new demand.

• The dilution of the European market

African agricultural exports traditionally had Europe as their main market, reflecting their heavy dependence on the pathway resulting from the colonial period. More than half of all African agricultural exports still went to the European Union in the early 2000s; but this proportion has been steadily declining since then, falling to 37% in 2010 and to 34% in 2014.

Africa is diversifying its trade partners, especially towards the emerging Asian countries. African agricultural exports to China and India, which were almost non-existent in 2000, have increased sharply in the last 15 years with an average growth rate of 17% and 13% respectively. The Chinese market accounted for 3.9% of African agricultural exports in 2014, and the Indian market 3.6%, and their relative importance should continue to grow in the coming years.

Intra-African trade in food products (cereals, tubers, animal products) should play an increasingly important role in exports, driven by population growth and urban expansion in Africa. Once again, there is considerable potential here for agri-food processing.

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