The Rapid Transformation of the Food Economy of Africa

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1. Rapid growth in incomes (ESA slower/less than WAf)

Figure 1: Income trend of select East and Southern African nations
Source: The World Bank
2. Rapid Urbanization, ESA (ESA is even half of West Africa rate)
3. Urban higher than rural income by: 2:1

<table>
<thead>
<tr>
<th></th>
<th>Total Expenditure Per Capita Per Day</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>T1</td>
</tr>
<tr>
<td>ESA Level</td>
<td>$0.76</td>
</tr>
<tr>
<td>Rural</td>
<td>$0.71</td>
</tr>
<tr>
<td>Urban</td>
<td>$0.94</td>
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</tbody>
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4. Points 1-3 ➔ Urbanization of Food Sector in Africa

(Note: ESA urban shares < West Africa)

Note: Red = share in purchased market

In Staples, urban market already half the overall:

a) Urban has 46% of purchased + produced, 61% of just purchased cereals
   ... rural has 54% (39%)

b) Urban has 43% (56%) of pulses
   ... rural has 57% (44%)

c) Urban has 31% (49%) of roots/tubers market
   ... rural has 69% (51%)
In “diversification foods” urban market already majority of overall:
a) **Urban** has 52% of purchased + produced, 63% of just purchased fruits/veg
   ... **rural** has 48% (37%)
b) **Urban** has 58% (63%) of meat/fish
   ... **rural** has 42% (37%)
c) **Urban** has 63% (64%) of lipids (veg oil/animal fat) market
   ... **rural** has 37% (36%)
6. Diets are Diversifying Rapidly

a) Rapid rise of processed food consumption as share of diet

... Rural “low processed” share (outside maize) = 21% of food expenditure

... Urban “low processed” share (outside maize) = 25% of food expenditure

... Rural “high processed” share: 18% of expen.

... Urban “high processed” share: 28% of expen.
Outside of maize expenditure,
Share of all processed in total rural expenditure = 39% !

Share of all processed in total urban expenditure = 53% !
b) Share of staples (cereals, roots/tubers, pulses)

Total staples = 38% of purchased expenditure, 56% of purchased + produced expenditure

So “diversification foods” already 62% of purchased market … a majority of expenditure!
6. Implications

a) “food security” used to mean mainly “rural food security”
... now rapid urbanization ➔ national food security means urban + rural food security (more than half of African food consumed in cities)
b) “rural-urban food value chains” used to be “niche topic” for agribusiness specialists

... now domestic value chains are fundamental to national food security
c) Importance of rural-urban value chains ➔ importance of “post-farmgate activities” for national food security

... processing, food distribution/wholesale, cold chain segments have become as important to national food security as farming

... And these segments are transforming fast –

... a “Quiet Revolution” (by SMEs, a “grass roots revolution” in post-farmgate segments in value chains

➔ urgent need to support their development
d) The rapid rise of processed food consumption implies the importance of processing sector to food security & employment..

... and possible nutrition/health issues over time
e) The rapid diversification of diets beyond staples

➤ Implies the rapidly growing importance of vegetables, meats, fish, fruit, vegetable oil, dairy to food security in Africa