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)

Urbanization Trend
(Share of urban population over total population)

- Ethiopia
- Malawi
- Mozambique
- Tanzania
- Uganda
3. Urban higher than rural income by: 2:1

<table>
<thead>
<tr>
<th>Total Expenditure Per Capita Per Day</th>
<th>ESA Level</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1</td>
<td>$0.76</td>
<td>$0.71</td>
<td>$0.94</td>
</tr>
<tr>
<td>T2</td>
<td>$1.44</td>
<td>$1.21</td>
<td>$2.16</td>
</tr>
<tr>
<td>T3</td>
<td>$3.62</td>
<td>$2.83</td>
<td>$6.21</td>
</tr>
<tr>
<td>All</td>
<td>$1.94</td>
<td>$1.58</td>
<td>$3.10</td>
</tr>
</tbody>
</table>
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 expenditure

... Urban “high processed” share: 28% of expenditure.
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