

# Chapter 4

## PERFORMANCE OF THE FOOD AND AGRICULTURE SECTOR

# Significance of agr

- High share in total GDP
  - over 49 % in 25%, i.e. poorest countries
  - Less than 20 % in a few oil rich relatively de/d
  - Share of agr increased since mid-1980s in half SSA countries
    - Most significant increase in Cameroon, CAR, Comoros & DRC
- Major source of foreign exchange, employment, local industry and services

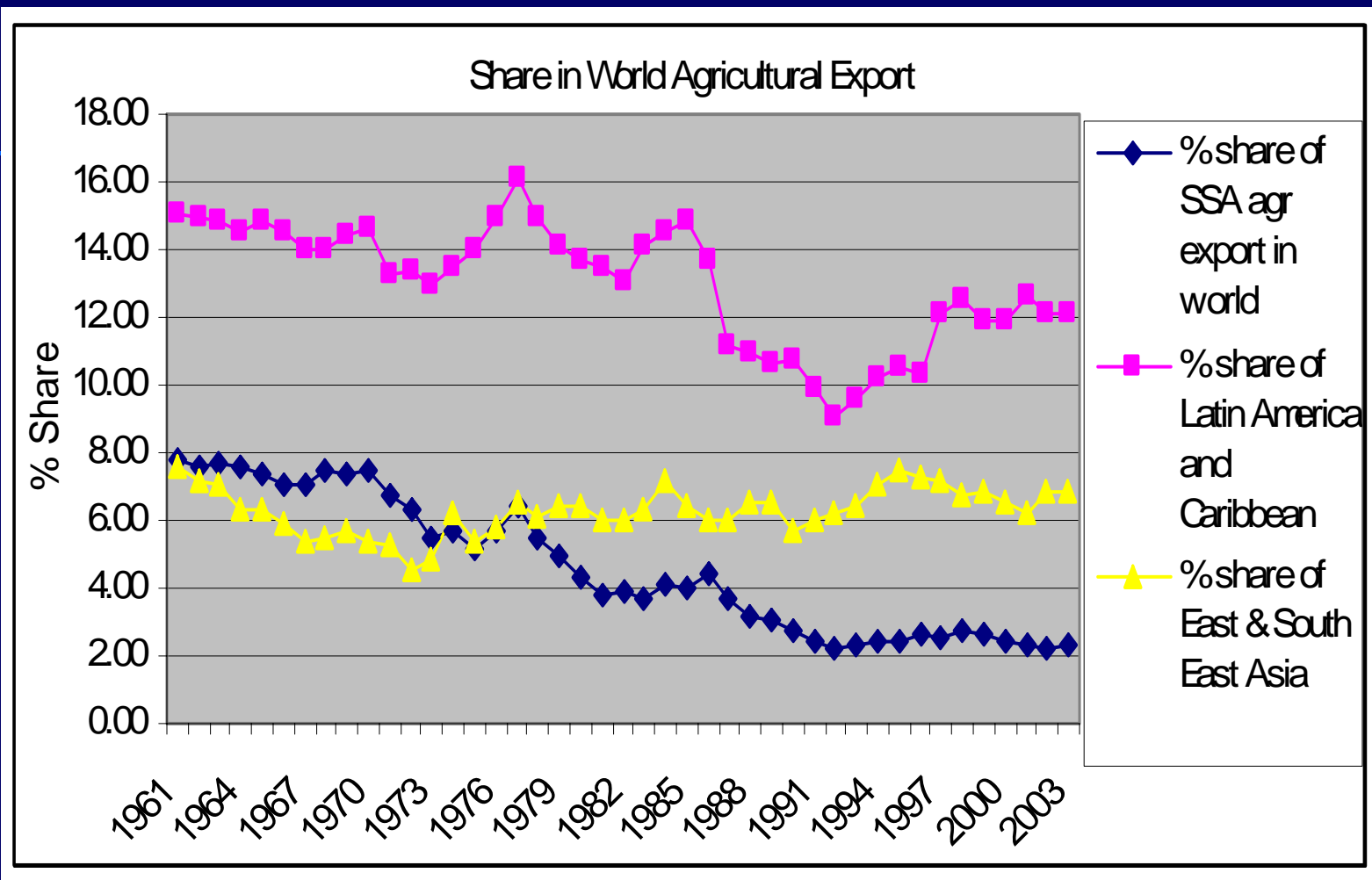
# Performance Agricultural GDP

- Low and fluctuating growth rate
  - Growth rate improved since 1995 but not sustained
    - Variable weather, conflict, disease and insects, lack of technology
- Only Benin and Mali maintained a growth rate of  $> 3\%$  since 1975
- Strong post-conflict recovery – Angola, Mozambique, Rwanda

# Performance agricultural trade

- SSA's share in world agri export
  - declined from 8% in early 1960s to 2% in early 2000s
- Improved performance in East & Southeast Asia and Latin America & Caribbean in recent years
  - But continuous decline in SSA

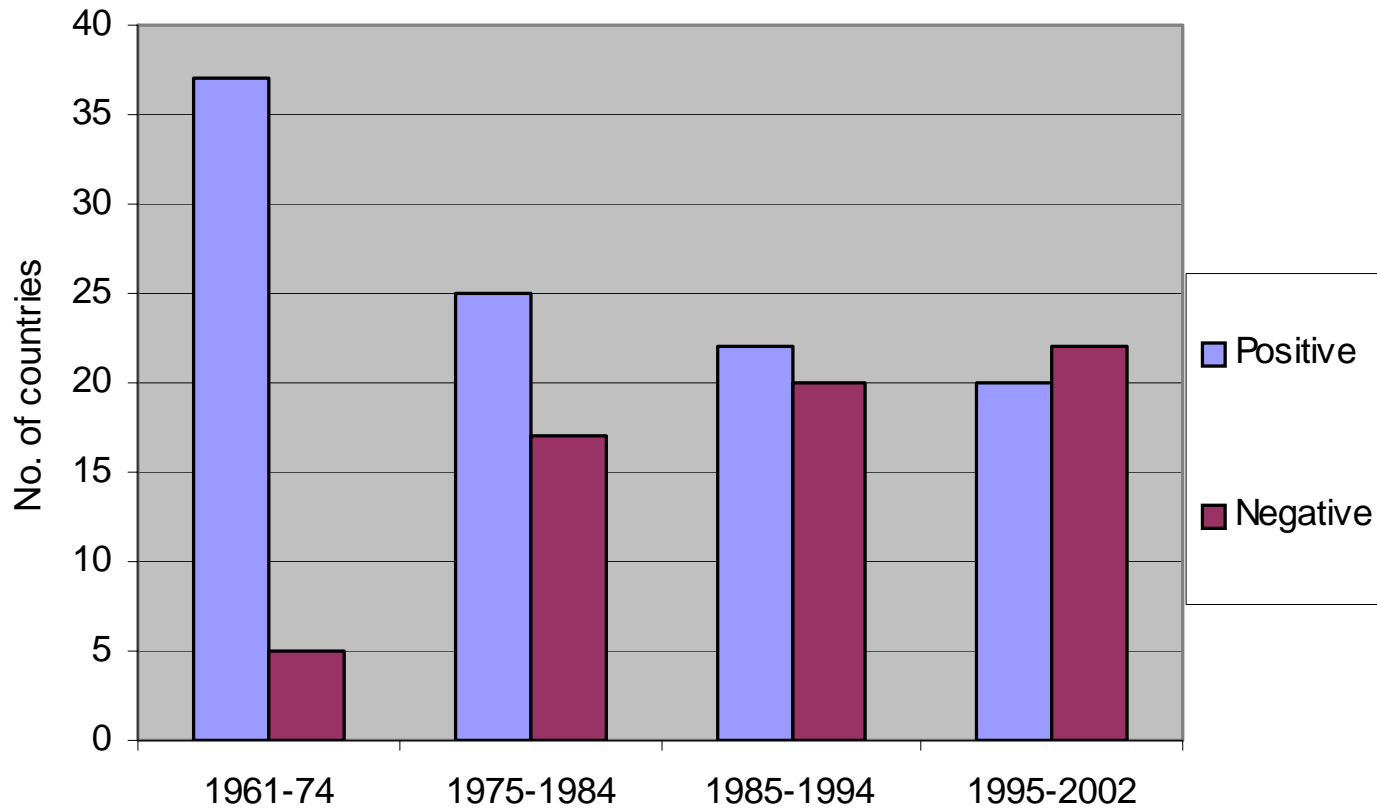
# Share in world agricultural export



# Agricultural trade balance

- Increasing dependence on agr imports
  - Imported food replacing traditional food
- Ag imports growing at faster rate than ag exports
  - Ag exports exceeded ag imports in only 20 countries in 1995-02
    - compared to 37 countries in 1961-74
  - 22 countries had negative ag trade balance in 1995-02 (only 5 in 1961-74)

# No. of Countries with +ive & -ive agr trade balance



# Sub-sectoral performance

- Performance varied by sub-sectors
  - Growth rates especially weaker in cereal and livestock sectors
  - Relatively better for roots and tubers, fruits and vegetables, some cash crops, and fisheries

# Performance of Cereals

- Low & fluctuating growth rates
  - Growth of only 2.4% (1961-2002)
- Growth varied: 3 % in West to 0.5% in Southern Africa (excl SA) in 1961-04
- Better performance in 1961-74
  - Kenya and Zimbabwe failed to maintain maize revolution of 1960s & 1970s
    - Unable to sustain because of reduced public support
- No sign of Green Revolution sorghum, rice, wheat, etc. yet

# Performance of pulses and oilseeds

- Oil crop production
  - Low (<2%) 1961-2004
  - Highly variable – only 1.1% in 1975-1984
  - Southern Africa performed better
  - SSA negatively affected by cheap import and monetized food aid
- Pulses
  - Better performance except in 1975-1984
  - Better performance in west Africa
  - Beans both cash and food crops
- Limited support from research & extension

# Roots and tubers

- Africa's global share significant and increasing
  - From 40% in 70s & 80s to over 50% in 90s
- Production fluctuated but annual growth rate better (3.1%) than other food crops
  - Cassava production increasingly rapidly
- High potential for ensuring food security
  - But contribution to the economy and income remains insignificant
    - Process and diversify use roots & tubers

# Fruits and vegetables

- Output grew by 2.3% p.a. 1961-2004
  - Performance in 1961-74 was better
- Export increased at faster rate (5.3%)
- Important non-traditional export item
  - Favourable growing conditions
  - Better marketing opportunity
- Kenya, South Africa, Zambia, Zimbabwe, among successful cases

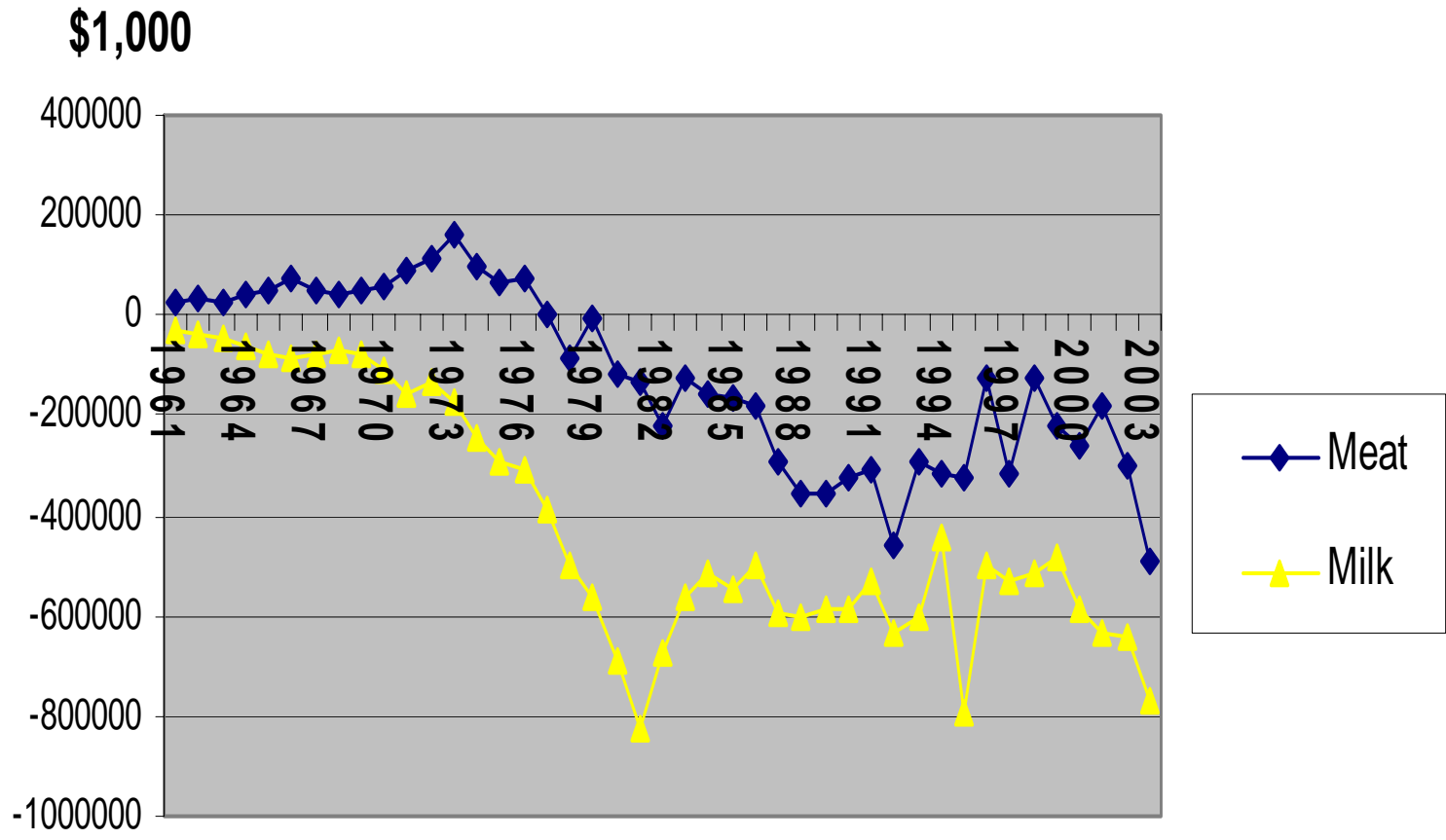
# Major cash crops

- Coffee, tea, cocoa and cotton
  - Account for 40 to 50 % of total agr exports
- Good performance immediately after indep.
- Serious setback since mid 1970s
  - Coffee worst affected followed by cotton
    - Lost coffee market to Vietnam & cotton to US
- Tea performed better, but limited to Kenya
- SSA accounts for 69 % of world COCOA prod
  - Côte d'Ivoire still leading producer and exporter
  - Strong comparative advantage

# Performance of livestock sector

- Domestic milk and meat prod well below demand
- Milk among major import items in SSA
  - Deficit of over 800 million US
    - But Kenya have succeeded
- SSA net importer of meat since 1977
  - But South Africa, Namibia, Botswana and Benin significant exporters
- Untapped high livestock potential in central, eastern and southern Africa

# SSA's trade balance milk & milk



# Fisheries

- SSA accounts for 4% world production & 2% of world exports
- Significant increase in fish catch & export in recent years
- Western and southern Africa did well
  - Fish products among three major export items in 8 countries (e.g. Seychelles, Namibia, Tanzania)
- Prospect for Integrated Irrigation-Aquaculture high with expansion of irrigation
  - Need to increase fish consumption

# Forestry

- Forestry a vital resource in the region
  - Wood product among three major export earners in many west and central Africa (e.g. Cameroon, CAR, DRC, )
  - Wildlife tourism, environment protection,
- Unsustainable use major problem
  - Too much dependence on woody biomass for energy, illegal logging,
  - Most countries have become net importers of forest products
- But potential for commercial tree planting high (e.g. South Africa)

# Summing up

- Agr key in GDP, employment and forex
- But growth rates are low
  - Food production fallen behind population
    - Dependence on food import/ aid increasing
  - Weak agr has constrained growth of non-agr sector
    - Share of agr increasing in many countries
      - More vulnerable and weaker economic structure
- Reduced public support major factor for poor performance
- SSA has comparative advantage in many food and cash crops, horticulture, livestock, fishery and forestry
  - Need to look at the constraints and opportunities