



AFRICA'S RELATIONSHIP WITH BREAD AND HOW THE AfCFTA CAN IMPROVE IT



INTRODUCTION

Bread is a staple food item across many cultures around the world, the oldest dating back as far as 11,600 to 14,000 years ago by the Natufian culture, whose origins are traced to North Africa.

The long-standing relevance of bread is verifiably significant for the fundamental reason of guaranteeing food security. In 2022, the global bread market was valued at approximately US\$266.33 billion, and it was projected to reach US\$350.17 billion by 2030¹.

These figures indicate monetary and economic value from bread as a product beyond food security. The value chain through which bread is produced is directly affected by the cost of wheat, which will be explored in this article within the context of Africa and the AfCFTA.



¹ Research and Markets: Bread Market Forecast to 2030 – Global Analysis By Type; Category; Distribution Channel
https://www.researchandmarkets.com/reports/4987699/bread-market-forecast-to-2030-global-analysis?utm_source=dynamic&utm_medium=BW&utm_code=ss93xs&utm_campaign=1371200+-+Insights+on+the+Global+Bread+Market+to+2027+-+Analysis+and+Forecast+by+Product+Type%2c+Nature%2c+Distribution+Channel+and+Geography&utm_exec=jamu273bwd accessed at 10:00 on 25 April 2024.

BREAD CONSUMPTION AND IMPORTANCE OF WHEAT IN AFRICA

The composition of bread varies depending on the type of loaf baked; however, the most consistent ingredients are flour, water, salt and yeast. Flour is a long-established primary ingredient, without which, bread cannot be baked.

Flour can be defined as any milled cereal grain or occasionally ground nut meal; notwithstanding, the most common source of flour is wheat because of the spongy effect it gives to baked food items². African consumption of wheat varies by region, with the entire continent's consumption standing at 60kg per capita as at 2019³.

The statistical assessment of the bread value chain demonstrates the connection between the cost of flour among other raw materials in relation to the price of a loaf of bread. According to a survey, the countries with the most expensive loaves of white bread include the sub-Saharan countries of Ghana (Accra), Uganda (Kampala) and Nigeria (Lagos)⁴.



This is testament to the combined fact that both west and central Africa are the lowest producers and exponentially rising consumers of wheat, with outstanding demand supplemented by imports⁵.

The largest producers of wheat in Africa in order of harvested quantity in metric tons are Egypt, Ethiopia, Algeria, Morocco, South Africa, Tunisia, Sudan, Kenya, Libya, Zambia⁶.



It is quite easy to deduce that the highest producers of wheat consume the most bread. For instance, North Africa consumed up to approximately 200kg/per capita (per year) of flour consequent of a steady increase in consumption for the last 40+ years. While Egypt along with the rest of north Africa was once self-sufficient in wheat, it is currently responsible for over 59% of Africa's wheat imports, most of which originate from Russia and Ukraine⁷.

² Britannica: Flour <https://www.britannica.com/topic/flour> accessed at 12:53 on 9 May 2024

³ Pathways to wheat self-sufficiency in Africa June 2023 <https://www.sciencedirect.com/science/article/pii/S2211912423000147> accessed 10:00 on 9 May 2024.

⁴ Statista: Price of a loaf of fresh white bread in Africa in 2023, by city <https://www.statista.com/statistics/1305631/price-of-a-loaf-of-fresh-white-bread-in-africa-by-city/> accessed at 13:00 on 2 May 2024.

⁵ *ibid*

⁶ Top 10 Wheat Producers in Africa – Marketing Year 2022/23, 1 September 2023 <https://www.millingmea.com/top-10-wheat-producers-in-africa-marketing-year-2022-23/> accessed at 11:00am on 26 April 2024. Egypt- 9,500,000 MT, Ethiopia- 7,500,000 MT, Algeria- 3,300,000 MT, Morocco- 2,700,000 MT, South Africa – 2,100,000 MT, Tunisia – 1,230,000 MT, Sudan- 476,000 MT, Kenya – 275,000 MT, Libya – 250,000 MT, Zambia- 235,000 MT.

⁷ *Ibid*

WHY WHEAT IMPORTATION STARTED AND HOW CAN IT BE REDUCED?

Ethiopia will be analysed within this context because it experienced self-sufficiency, deficiency resulting in importation, as well as a return to self-sufficiency in wheat production.

The reason for the disproportionate growth disparity between the increase in population and insufficient wheat production, among other biophysical and socio-economic challenges (the most recent of which being civil war), led to a deficit in domestic wheat production.

In response, the Ethiopian government resolved to achieve food self-sufficiency in wheat by 2050 through the combination of land expansion and planting more resilient wheat varieties to compensate for climate-change. The drive to self-sufficiency is consequent of its consumption, which accounts for about 14% of its total national calorie intake, as well as an important source of income for subsistence farmers. The steps taken by the Ethiopian government are noteworthy for the rest of sub-Saharan Africa toward achieving some degree of self-sufficiency in wheat production. .



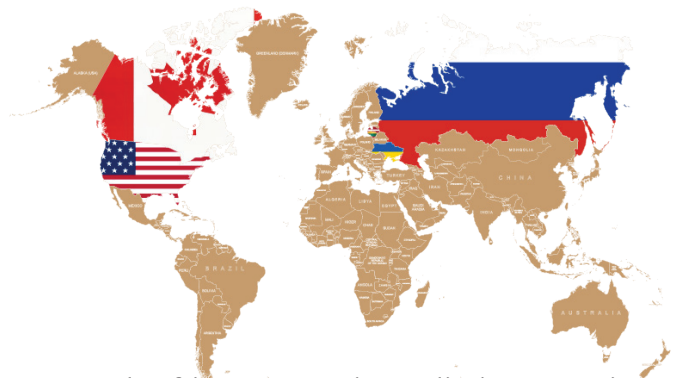
An additional import-limitation-measure by another African state includes Nigeria's 2005 policy, where the Federal government attempted to reduce expenditure on the importation on wheat and stimulate local flour mills by implementing a policy mandating the inclusion of 10% of cassava flour in bread produced nation-wide.



THE ROLE OF THE AfcFTA

The African Continental Free Trade Area (AfcFTA) is the Africa Single market initiative of the African Union.

It was created for the purpose of facilitating intra-Africa trade (trade within the African continent) and guaranteeing a means through which prosperity will thrive as a natural consequence of effective trade in goods, services, intellectual property, digital trade platforms, effective dispute settlement mechanisms, competition regulation, women and youth, among other core foundational Protocols.



Preceding the AfcFTA, several African countries relied on Russia, France, Ukraine, Canada, United States, Lithuania, and Latvia, for up to 30% of Africa's total wheat consumption⁹.

⁸ Djibouti, Somalia and Sudan rely exclusively on the Black Sea Grain Initiative for their wheat consumption needs. "Wheat availability in East Africa to be influenced by international trade dynamics: WFP 2023-08-15

<https://english.news.cn/20230815/156fbbac9e374a3ead3057e3eb317ce6/c.html> accessed at 10:00 on 9 May 2024.

⁹ Statista: Africa's Major Reliance on Russian and Ukrainian Wheat <https://www.statista.com/chart/27009/import-sources-of-wheat-in-africa/> accessed 14:20 on 2 May 2024.



Countries such as Burkina Faso, Central African Republic, Eritrea, Mali, and Somalia received free shipments of grain from Russia in early 2024, amidst Africa's present dependence on imports from the rest of the world. The Russia-Ukraine war disrupted international trade supply chains for grain, such that countries that were formerly dependent on them for grain such as Egypt sought alternative sources of wheat.

The advent of the AfCFTA would ordinarily present a great alternative for African countries to trade

wheat amongst themselves, thus furthering prosperity within the African continent, especially for the countries/regions deficient in wheat production. If African states were able to supplement this shortfall in demand through increased domestic/national production, it would be beneficial for a select number of member states in the short term.

However, the reality of an African country foregoing the potential to earn a premium in foreign exchange from a western or eastern country over a mitigated sum from neighbouring African countries, would be a tough sell.

An example of this is the long-standing trade relationship between France and Algeria, such that France exported \$4.69 Billion worth of products to Algeria, with total wheat export to the value of \$849 Million.



THE GUIDED TRADE INITIATIVE (GTI) AND EXISTING CHALLENGES

The Guided Trade Initiative¹⁰ is the pilot program of the AfCFTA to engage a select number of member states to commence trade with each other, within their prescribed list of goods and commensurate tariff schedules, to test the operational capabilities of the different participating states.

Phase 1 of the GTI commenced on 7 October 2022, with eight participating countries¹¹.

Recently, phase 2 is underway, with additional countries under the scheme of the AfCFTA. While the GTI (phase 2) is designed to be beneficial to the redistribution of goods across the continent. Provided that the participating wheat-rich member states like Egypt, include wheat on their list of tradeable goods under the program, regions with dismal wheat production volumes such as Western and Central Africa, the short-term tangible benefits of the GTI would be seen.

It is true that the GTI is a step in the right direction, as far as testing the operational capacities of member states under the AfCFTA; however, the positive reduction of the cost of producing bread and its retail price will not be seen in the short term for the following reasons:

1. Ethiopia is not listed as a participating country under the GTI (phase 2)¹² and;
2. The El-Nino¹³ climate pattern's severe effects on the climate of East Africa¹⁴, such as widespread flooding and drought in southern Africa, with countries like Zambia, Malawi and Zimbabwe between November 2023 till April 2024. The implication of this meteorological phenomenon is that the eastern and southern African regions experienced their driest season in 40 years, testament to widespread crop failure. It is important to note that the El Nino effect is not new to the region, but rather, this season was an aggravated occurrence with devastating impact on the region.

¹⁰ The pilot phase of the AfCFTA that enables select countries to participate in trade through submitting select goods to be traded with designated tariff schedules. It allows member states to test out their operational capacity to engage in the Africa single market effectively.

¹¹ Ghana, Cameroon, Rwanda, Kenya, Egypt, Tanzania, Mauritius and Tunisia. <https://www.tralac.org/blog/article/16333-south-africa-s-participation-in-the-guided-trade-initiative-of-the-afcfta.html> accessed 10:15 on 15 May 2024

¹² The AfCFTA Guided Trade Initiative (GTI) <https://au-afcfta.org/guided-trade-initiative/> accessed at 10:33 on 15 May 2024

¹³ The term El Niño (Spanish for 'the Christ Child') refers to a warming of the ocean surface, or above-average sea surface temperatures, in the central and eastern tropical Pacific Ocean. "What is 'El Nino' and what are its effects?" [https://www.usgs.gov/faqs/what-el-nino-and-what-are-its-effects#:~:text=The%20term%20El%20Ni%C3%B1o%20\(Spanish,and%20eastern%20tropical%20Pacific%20Ocean.](https://www.usgs.gov/faqs/what-el-nino-and-what-are-its-effects#:~:text=The%20term%20El%20Ni%C3%B1o%20(Spanish,and%20eastern%20tropical%20Pacific%20Ocean.) Accessed 15:26 on 10 May 2024

¹⁴ Flooding occurred in countries such as Uganda, Kenya and Tanzania <https://www.dw.com/en/el-nino-climate-pattern-intensifies-in-east-africa/a-68932184#:~:text=El%20Nino's%20grip%20on%20East,and%20are%20looking%20for%20answers.> Accessed 15:00 on 9 May 2024

CONCLUSION

Bread is a major staple among many countries around the world, and more so among African countries due to the basic level of food security it guarantees.

Bread is often synonymous with life because it is the cheapest nutritionally rich food item capable of sustaining life. More so, because wheat is a key ingredient for baking bread, it has a direct impact on the cost accessibility of bread to lower income earners if it is too expensive.

Therefore, it is advisable for African Heads-of-State to consider adopting policies inclined toward subsidising the price of bread by leveraging the trade channels created by the AfCFTA amidst economic austerity as a panacea against potential civil unrest.

While the immediate implementation of these measures may not be feasible due to the El Nino effect on eastern and southern Africa, the long-term view of adopting such measures will be considered prudent pre-emptive considerations toward sustainable development.

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