MADE BY AFRICA
CREATING VALUE THROUGH INTEGRATION

INFANT FOOD
The sector is **strategically important**: for agribusiness development, food security and infant nutrition

The sector comprises a high share of **SMEs and women employees**

Africa imports infant foods worth $709.2 million, projected to increase by more than 70% by 2027

Africa exports in infant food inputs worth $16.1 bn

Africa runs a -$600.9 million trade deficit for infant foods

...... an opportunity for adding value to multiple regionally available raw commodities
Mapping the **infant food** value chain

The infant food value chain brings together…

- **5** sub-regions with potential
- **3** competitive exporters of the output
- **39** competitive exporters of the inputs, among them **23** LDCs

…and encompasses

- **224 inputs**, including…

![Diagram of infant food value chain](image-url)
Inputs into **preparations of meat, vegetables and fruits**

**INGREDIENTS**

### Fruits & vegetables
- ✓ RCA at continental level
- ✓ 17 countries are potential input providers*

### Fish & shellfish
- ✓ RCA at continental level
- ✓ 18 countries are potential input providers*

### Meat
- ✗ RCA at continental level
- ✓ 4 countries are potential input providers*

### Nuts
- ✓ RCA at continental level
- ✓ 16 countries are potential input providers*

**PACKAGING**

### Cartons
- ✗ RCA at continental level
- ✓ 5 countries are potential input providers*

### Lids
- ✗ RCA at continental level
- ✓ 4 countries are potential input providers*

### Jars
- ✗ RCA at continental level
- ✓ 8 countries are potential input providers*

---

* Potential input providers: RCA or export potential > $10m, AND a positive trade balance (except packaging)

The flags of potential input providers are presented in decreasing order of RCA.

---

**African imports:**
- $32.8 million

**Projected imports by 2027:**
- $52.9 million

**Trade balance:**
- - $21.5 million

**Share of inputs sourced from Africa by African producers:** 12%
Example: A healthy nutrition for African children based on local produce

<table>
<thead>
<tr>
<th>CEREALS</th>
<th>PULSES</th>
<th>ENHANCING THE NUTRITIONAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millet</td>
<td>Black eyed peas</td>
<td><strong>MICRONUTRIENT POWDER</strong></td>
</tr>
<tr>
<td>✓ RCA</td>
<td>✓ RCA</td>
<td>✓ Recommended as an infant foods supplement (WHO)</td>
</tr>
<tr>
<td>✓ 11 countries are potential input providers*</td>
<td>✓ 13 countries are potential input providers*</td>
<td>✓ Imported mostly from India, Malaysia and Turkey.</td>
</tr>
<tr>
<td><img src="image1.png" alt="Flags" /> <img src="image2.png" alt="Flags" /> <img src="image3.png" alt="Flags" /> <img src="image4.png" alt="Flags" /> <img src="image5.png" alt="Flags" /></td>
<td><img src="image6.png" alt="Flags" /> <img src="image7.png" alt="Flags" /> <img src="image8.png" alt="Flags" /> <img src="image9.png" alt="Flags" /> <img src="image10.png" alt="Flags" /></td>
<td>✓ Manufactured in South Africa, Namibia</td>
</tr>
<tr>
<td>+ 8 more</td>
<td>+ 10 more</td>
<td></td>
</tr>
<tr>
<td>Sorghum</td>
<td>Soy</td>
<td><strong>SUPERFOOD MIXES</strong></td>
</tr>
<tr>
<td>✓ RCA</td>
<td>✓ RCA</td>
<td><strong>Spirulina</strong></td>
</tr>
<tr>
<td>✓ 4 countries are potential input providers*</td>
<td>✓ 10 countries are potential input providers*</td>
<td>✓ Under clinical trials to demonstrate effectiveness as an infant foods supplement (U.S. National Library of Medicine)</td>
</tr>
<tr>
<td><img src="image11.png" alt="Flags" /> <img src="image12.png" alt="Flags" /> <img src="image13.png" alt="Flags" /> <img src="image14.png" alt="Flags" /></td>
<td><img src="image15.png" alt="Flags" /> <img src="image16.png" alt="Flags" /> <img src="image17.png" alt="Flags" /> <img src="image18.png" alt="Flags" /> <img src="image19.png" alt="Flags" /></td>
<td>✓ Grown in Egypt, Sudan, Ethiopia, Kenya, Tanzania, Botswana, Chad …</td>
</tr>
<tr>
<td>+ 1 more</td>
<td>+ 7 more</td>
<td><strong>Moringa</strong></td>
</tr>
<tr>
<td>Rice</td>
<td>Peanuts</td>
<td>✓ Clinically shown to be a beneficial infant foods supplement (NCBI)</td>
</tr>
<tr>
<td>✗ RCA</td>
<td>✗ RCA</td>
<td>✓ Grown in Ethiopia, Kenya, Namibia, Angola, South Africa, Sudan, Somalia, Senegal …</td>
</tr>
<tr>
<td>✓ 1 country is a potential input providers*</td>
<td>✓ 3 countries are potential input providers*</td>
<td></td>
</tr>
<tr>
<td><img src="image20.png" alt="Flags" /></td>
<td><img src="image21.png" alt="Flags" /> <img src="image22.png" alt="Flags" /> <img src="image23.png" alt="Flags" /></td>
<td></td>
</tr>
</tbody>
</table>

Developed by African producers of infant foods

TRADING IMPACT FOR GOOD
Baby/processed food
Selected insights from the survey of value chain participants in Africa

Most of the company’s sales are in the domestic market

<table>
<thead>
<tr>
<th></th>
<th>Domestic market</th>
<th>Africa</th>
<th>Rest of the world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>91%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

All companies sell at their domestic markets, few export

<table>
<thead>
<tr>
<th></th>
<th>Domestic market</th>
<th>Africa</th>
<th>Rest of the world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>100%</td>
<td>35%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Half of the companies are not aware of AfCFTA

<table>
<thead>
<tr>
<th></th>
<th>Unaware of AfCFTA</th>
<th>Aware of AfCFTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>56%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Only a fraction of companies have participated in AfCFTA related consultations

<table>
<thead>
<tr>
<th></th>
<th>Companies that have participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>in AfCFTA consultations. 92%</td>
</tr>
<tr>
<td></td>
<td>have not participated in any.</td>
</tr>
<tr>
<td></td>
<td>8%</td>
</tr>
</tbody>
</table>

Majority expect benefits from the continental trade agreement

<table>
<thead>
<tr>
<th></th>
<th>Positive expectation</th>
<th>Negative expectations</th>
<th>Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share</td>
<td>58%</td>
<td>28%</td>
<td>14%</td>
</tr>
</tbody>
</table>
Over half of the companies plan to expand production in African countries

Most firms are fully domestically owned
- Fully locally owned: 73%
- Up to 50% owned by foreign partner(s): 12%
- Full foreign ownership: 8%
- More than 50% but not full ownership by foreign partner(s): 3%

Only a fifth of the companies have foreign presence
- 20% Companies with foreign affiliates or production plants
- 80% are entirely domestic based

Most companies have significant share of female employees

Half of the businesses are women owned or managed
Baby/infant foods – Value chain-specific challenges*

- Very weak trade participation of African baby food producers
- Limited trust in local brands
- Lack of recognition as a sector
- Difficulties to provide packaging that is at the same time affordable, safe and environmentally friendly / recyclable
- Most machinery that is necessary to modernize production is not produced in Africa
- Limited access to accredited laboratories and testing facilities and high cost of testing
- Limited access to finance, particularly for women-led companies
- Limited availability of sector experts

*In addition to the cross-cutting challenges relevant for all sectors
Example baby food VC – what needs to change?

Selected value chain specific recommendations*

Recognize the sector:
- Craft a strategy for sector development and trade
- Create sector-specific associations with tailored supports to MSMEs

Facilitate investments along the value chain:
- High-quality inputs from sustainable and certified farming
- Machinery to automate and scale production
- Sustainable packaging solutions

Consider the production on the continent of key machinery used on agricultural and food processing

Improve the availability of timely information (e.g. availability of high-quality, certified inputs, prices, labelling and packaging requirements)

Harmonization of standards and recognition of conformity assessment certification (e.g. product registrations, licencing, packaging, labelling, tolerance limits, shelf live)

*In addition to the cross-cutting recommendations relevant for all sectors