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EXECUTIVE SUMMARY

ECONOMIC LETTER OF EAST AFRICA AND THE INDIAN OCEAN (EAIO)

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Food Security in the EAIO

In concise...

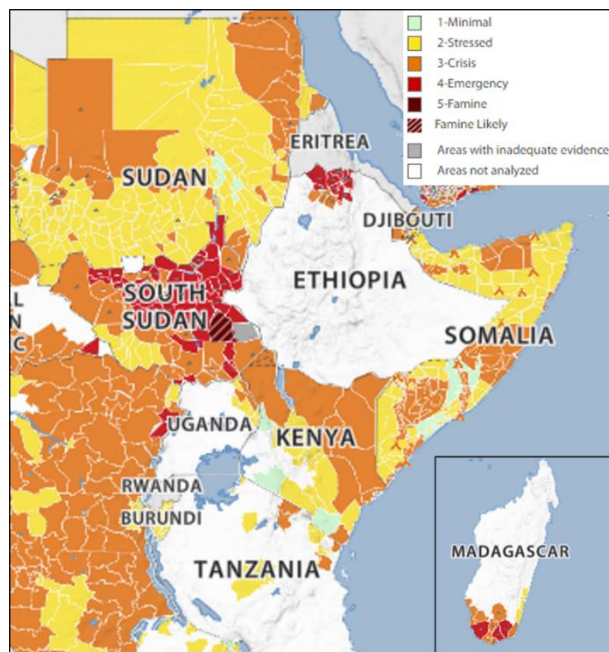
Economies in the region are, to a large extent, built around agriculture. That notwithstanding, and despite improved performance in the agricultural sector over the past few years, most countries struggle to ensure food security for their populations. This is due to high susceptibility to climatic hazards (floods, drought, and cyclones), a record high population growth (+2.8% / an), political instability and extreme arid conditions in some areas. Covid 19 put a strain on an already fragile food system, leading to a significant increase in the price of foodstuffs in the past two years - a spike that should continue given the crisis in Ukraine. It is thus estimated that more than 27 million people are acutely malnourished in the EAIO region, i.e. 6.7% of the population. Governments have, for the most part, become aware of the gravity of the matter, and are implementing public policies around the issue. However, lack of resources remains a significant hindrance when it comes to execution of said measures. Production systems thus remain underperforming Vis à Vis the annual population growth.

In detail ...

High susceptibility to climatic hazards leading to high food insecurity

East Africa and the Indian Ocean has been experiencing major climatic hazards for many years, thus jeopardizing food security.

For the past two years, East Africa has experienced a historic drought. The areas most affected (i.e., rainfall more than 50% below the ten-year average) are southwest Somalia, southern Ethiopia, and northern Kenya. In these areas, the aforementioned period constituted three consecutive rainy season where the rainfall was particularly low. The impact on agricultural production is significant: low grass cover forcing herders to limit grazing hence causing a drop in milk production. Moreover, the drought struck at a particularly difficult time; there were armed conflicts in certain areas, and locust invasions affected Ethiopia, Somalia, and Northern Kenya (even though to a lesser extent). As a result, in October



food insecurity in the region.

The above factors explain the why 6.7% of the EAIO population is malnourished. However, this figure remains an underestimate as certain areas have been rendered inaccessible by armed conflicts. Also, the latest FAO forecasts (pre-Ukraine crisis) suggest that this figure could increase by the end of 2022. The high dependence by countries in the region on wheat and fertilizer from Ukraine and Russia should naturally result in an increase of these estimations.

It is important to highlight that the greatest challenge in the region lies in how to go about improving yields and making agricultural systems sustainable in order to match the region's high population growth. For example, in 10 years, cereal production in Kenya has increased by 13.6% while the population has increased by 28.6%. This disparity between these two elements explain the high importation of basic commodities.

Myriad public policies put in place: an attempt at curbing the persistent food insecurity

For the most part, governments have prioritized food security as demonstrated in their interventions. These measures are presented in different ways. Some countries major on agricultural-sector transformation in a bid to improve the efficiency of their production systems. Such approaches include Kenya's *Big Four Agenda* and the *Agriculture Sector Growth Strategy*. In Somalia and Sudan on the other hand, the fight against food insecurity has long been in the hands of international organizations. In Sudan, the WFP pre-financed the purchase of 200,000 tons of wheat in 2020 and 2021 on behalf of the Sudanese authorities.

The Covid-19 crisis has put the food systems in the region to test, notably the ability of its population to access certain foodstuffs. This is due to the importation challenges encountered during the period (logistical obstacles majorly), and the increase in transport costs (sea, air and land freight) coupled with the lockdown measures that resulted in limited movement for several months. Therefore, to respond to the crisis in a timely manner, some countries put in place measures geared towards cushioning the local population while others benefited from the support of international organizations such as the FAO.

During the *Food Systems Summit* (FSS) in September 2021, several countries evoked the importance of defining a concrete strategies to transform the food systems, strengthen the food autonomy of countries and curb the food insecurity that affects many regions. The conflict in Ukraine is expected to accentuate the impact of import dependency through a significant increase in the cost of certain foodstuffs (such as wheat) and raw materials (such as fertilizers).

2021, sorghum and maize, the staple for the population in the zone, sold at prices that were 70 to 100% higher than the prices over the same period in 2020, and up to 60% higher than the five-year average.

As some regions suffer from the lack of water, others experience hazards related to the resource: The Batsirai storm (February 2022), which destroyed up to 70.0% of market garden crops, worsened the food security situation in Mauritius and Madagascar by causing further increase in market prices. In Mauritius, this meteorological occurrence is expected to reinforce inflation, given that food prices (excluding alcoholic beverages and tobacco) have increased by 10.0 percent between December 2020 and December 2021.

In the context of climate change, similar phenomena are bound to recur thus leading to aggravation of

Food system paradox in the Region: Major agricultural exports and dependence on agricultural imports to meet nutritional needs.

The Self Sufficiency Ratio (SSR) of major economies in the zone show a high degree of homogeneity in the capacity, or lack thereof, to supply certain foods to their populations. The SSRs are between 80% and 100% for tubers, cereals, fruits and vegetables, and sugar crops. The ratios are the same for animal products. However, these rates do not reflect the high dependence on imports for certain types of cereals such as wheat and rice, which are among the main import items of agricultural products in EAIO (8.2 MT for wheat and 3.4 MT for rice). However, vegetable oils and refined sugars have SSRs of less than 50% and therefore need to be supplemented by imports.

While the EAIO countries are mainly exporters of agricultural products (coffee, tea, horticulture, spices, fish), the total amount of imports of agricultural, agri-food, forestry and agri-supply products in 2020 amounted to US\$16,234.9 million, 88.2% of which originated from countries outside EAIO. These imports have increased by 46.5% (\$5,154.2 million) in 10 years. Imports of agricultural products account for 22.2% of all imports from countries in the zone.

The value of intra-AEOI agricultural, agrifood, forestry and agri-supply trade (sum of imports) amounted to \$1,916.1 million in 2020 (11.2% of "agricultural" trade). In contrast to the large exports (i.e. outside the EAIO zone), the products traded are those related to the basic food requirements of the population such as vegetables, rice, sugar, maize and dairy products.

Agricultural produce and dietary habits in the EAIO region

In East Africa, agricultural land represents 314 MH (compared to 166 MH in the EU), of which **more than 132 MH is under cultivation, and the rest used for pasture.** The main crops cultivated with the goal of feeding local populations include:

- (i) Cereals, i.e., includes maize, rice, sorghum and wheat.
- (ii) Tubers, such as cassava or Irish potatoes
- (iii) Legumes mainly beans and peas.
- (iv) Fruits and vegetables, mainly bananas, plantains and sweet potatoes.

Cash crops, which constitute a significant source of foreign exchange, include sugar cane, tea, coffee, vanilla and spices. Livestock farming is also widespread in the region, and mostly ensures subsistence for the nomadic populations. In the arid regions, the roughage provides a significant source of proteins and lipids for these animals. Livestock in AEOI represents nearly 200 million cattle (more than twice the European livestock), 151 million sheep and 194 million goats. In the more desert areas, camel breeding is also worth mentioning. The annual production of milk represents an estimated total of 50.5 MT.

Diet varies depending on the country in question. Cereals (maize, teff, sorghum, millet and wheat) are dominant in Ethiopia, Kenya and Madagascar. On the other hand, in countries such as Tanzania, Uganda and Rwanda tubers (manioc, potatoes) are the major food crops. These disparities are also reflected in the culinary specialties of each country.

On average, in 2019, the food context in EAIO allowed an available intake of 2310 kcal/capita per day (3531 kcal/capita per day in France). Protein intakes are 61.5 g/capita per day based on 82% plant products (109.6 g/capita per day and 41% in France) and fat intakes are 41.0 g/capita per day based on 73% plant products (151.4 g/capita per day and 42% in France). These figures reflect diets composed mainly of plant products, and are below the average caloric intake at the global level but well within the African average.

In sum...

Despite a strong political will to fight against high food insecurity, factors such as climatic hazards and poorly performing agricultural systems have led to high vulnerability in the regional food systems. This explains, in part, the high dependence on commodity imports despite the regional exports constituting majorly of agricultural products. The recent crisis in Ukraine is bound to aggravate food insecurity in the region.

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