Strong demographic growth and rapid urbanisation over the past 60 years have radically transformed the West African food economy. While the region was largely rural at independence and agricultural activities were concentrated in subsistence farming and export cash crop production, 45% of its population now lives in cities where most food is bought in markets. Urbanisation and urban lifestyle changes are accompanied by shifts in dietary patterns, which are spreading beyond the frontiers of towns and cities. Availability and access to food are now contingent on a series of activities occurring along value chains and a growing share of urban and rural populations depend on this burgeoning food economy to access food. This paradigm shift is creating new challenges for policy-making and monitoring systems that will need to adapt as a result. It is also generating unprecedented opportunities to create new wealth and employment for the region’s increasingly young labour market.
The Regional food markets offer huge opportunities for producers. It is 3X larger than its agricultural export markets.

39% of all food consumed in West Africa is processed.

30-40% higher food prices to be 30-40% higher than in West African food factors that cause inefficient logistics are among the major causes. However, poor infrastructure and changing consumer preferences are also important. The type of food demanded. Consumption of processed foods is increasing rapidly, as is that of fruit and vegetables, and meat and fish.

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Regional Approaches to the Food Economy Present Huge Opportunities

Food: West Africa's Largest Private Sector

The West African food economy is worth USD 178 billion.

This makes it the region's biggest private sector

The size and structure of the region's food economy have been transformed by population growth, urbanization, and income growth. And these trends are set to continue.

Regional Approaches to the Food Economy Present Huge Opportunities

Considers are Changing the Food Economy

Food security and the food economy are inextricably linked. Food policy making needs to move beyond the traditional confines of agriculture to address the challenges and seize the opportunities of the transforming food economy.

One major change is the rapid development of post-harvest activities, such as processing, packaging, and retail.

Many countries in West Africa have developed strong policies for the promotion of export crops, such as cocoa, cotton, and rubber, but not for crops sold on regional markets. Yet the economic opportunities from investing in food production for the regional market far outweigh those of export markets.

Concentration of food demand

In urban areas 90% of food is bought on markets.

Urban consumers spend on average 50% more on food than rural dwellers. Connecting producers to urban markets is therefore more important than ever and is a key emerging opportunity for the region.

Non-agricultural activities generate 40% of the total value of the food economy.

The food processing industry in Senegal has grown 7% per year since 2000. Agro-industries are the largest non-producing consumers only.

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70% (USD 126 billion) of the value of West Africa’s food economy is traded on markets.

In urban areas 90% of food is bought on markets, compared to 50% in rural areas.

Changes to the food economy

Budgets should also focus on the food groups that will experience the greatest demand growth. In Senegal, 89% of its NAIP budget is currently allocated to staple crops, while 11% is spent on livestock and 5% on fisheries.

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However, poor infrastructure and insufficient logistics are among the factors that cause West African food prices to be 30-40% higher than in other regions with comparable levels of income. Wars of bordering price and improving access to food markets, investment in roads, warehouses, and electricity, better access to logistics and financial services and enhancing the business climate.

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39% of all food consumed in West Africa is processed.

And this trend is not restricted to cities; the rate is only slightly higher in urban than rural areas.

Consumers are increasingly looking for foods that are convenient to buy, prepare and consume. Other attributes such as shelf-life, freshness, nutritional content, packaging and labelling are also gaining in importance with consumers.

The ‘cassava revolution’ that started in Nigeria is continuing to spread across the region. Gat and attiéké are important snacks for time-poor urban consumers from Ibadan to Abidjan.

Forecasted demand growth in urban areas

Ethiopia is expected to see the biggest demand growth.

Beverages (6)

Dairy products (8)

Fruits & Vegetables (8)

Grains

Meat (8)

Others

Sustainable natural resource management

Market value

Marketing and processing

Sustainable agriculture

Sustainable livestock management

Food security

Urban: 50% more

Rural: 23% more

The food economy offers huge growth, job creation and food security opportunities, if policies are adapted to these changing trends.

Budgets should also focus on the food-growth with data on various aspects of food security, agricultural production and trade.

Policy should change to reflect changes to the food economy.

Post-harvest activities are expected to be the fastest growing segments of the value chain. Yet, on average, only 5% of National Agricultural Investment Plan (NAIP) budgets in the region are allocated to downstream value chain activities, such as processing and marketing.

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