

Triple pull in food demand offers untapped potential for Africa's food processors if they can rise to challenge - report

A concurrent rise in population, urbanization, and middle-class incomes signals a unique market opportunity if the sector can improve its competitiveness.

LONDON, UNITED KINGDOM, August 27, 2024 /EINPresswire.com/ -- A "triple pull" in food



A growing class of wealthier, time-constrained, mostly urban populations in Africa are looking for shelf-stable, ready-to-eat, ready-to-cook, or easy-to-prepare processed foods."

Dr. Ousmane Badiane, Co-Chair of the Malabo Montpellier Panel

demand is creating sizable opportunities for Africa's food processors if they can ramp up their competitiveness, according to a new report.

The [latest publication](#) by the Malabo Montpellier Panel highlights how rises in population, urbanization, and middle-class incomes are converging to create vast market opportunities for processed foods across the continent.

"VALUE-UP: Policy Innovations to Advance Africa's Food Processing Sector for Growth, Jobs, and Health" offers African governments a framework to adopt policy and institutional innovations to boost their food processing

sectors and take advantage of changes in market demands rather than relying increasingly on food imports to meet supply needs.

"A growing class of wealthier, time-constrained, mostly urban populations in Africa are looking for shelf-stable, ready-to-eat, ready-to-cook, or easy-to-prepare processed foods," said Dr. Ousmane Badiane, Executive Chairperson, AKADEMIYA2063, and Co-Chair of the Malabo Montpellier Panel. "This demographic is changing the types and amounts of food in demand, and the food processing sector must advance rapidly to keep pace."

Africa's population is projected to grow by 2.5 percent annually, from 1.2 billion in 2016 to 2.4 billion by 2050. At the same time, the continent's urban population is projected to increase from approximately 43 percent in 2020 to 60 percent by 2050, with the middle class projected to account for 42 percent of the total population by 2060.

The sector currently faces many difficulties in meeting the demands of its growing population,

both from environmental factors like climate change and water shortages but also structural constraints related to improving infrastructure and profitability, development and upgrading of technical and soft skills, and trade-related barriers, to name a few.

Processed foods can offer many benefits, such as the reduction of micronutrient deficiencies through large-scale food fortification. Governments and other stakeholders need to work together to implement strategies that address the challenges faced in the food processing sector and promote the production of healthy, safe, nutritious, and high-quality processed foods.

"A vibrant food processing sector creates jobs," said Prof. Joachim von Braun, Distinguished Professor, Center for Development Research (ZEF), University of Bonn, and Co-Chair of the Malabo Montpellier Panel. "If carefully designed, Africa's food processing can deliver more diverse, nutritious, less perishable, and more convenient foods that improve people's well-being, contribute to sustainable economic growth across the continent, and especially women can benefit."

As Africa's youth population continues to grow, with one billion projected to be aged between 15 and 35 years by 2063, food processing offers a sustainable avenue for youth employment, with the sector already responsible for almost a third of the total manufacturing employment in many countries in sub-Saharan Africa.

The report offers in-depth examples from three African countries – Ghana, Kenya, and Senegal – already making strides with this transition. For instance, the Government of Ghana's Ten Point Industrial Transformation Agenda, through flagship programs such as One District One Warehouse (to minimize postharvest losses), One District One Factory (to enable food processors to acquire finances and incentives), and the establishment of Industrial Parks have created an ecosystem for innovation and entrepreneurship in food systems through value addition.

Likewise, the Governments of Kenya and Senegal have prioritized the food processing sector as part of their broader development plans – the Agricultural Sector Transformation and Growth Strategy and Plan Sénégal Émergent (PSE), respectively. The Kenya Investment Authority attracts investment through the Special Economic Zones and Export Processing Zones programs by offering tax incentives, reduced electricity tariffs, and lower land costs. In Senegal, initiatives such as the National Fund for Agro-Sylvo-Pastoral Development finance smallholders for increased agricultural yield, alongside the Sovereign Funds of Strategic Investments created to support the establishment of food processing Small and Medium-sized Enterprises.

The authors make some critical recommendations for furthering these efforts. The Malabo Montpellier Panel's action agenda calls for increased investments in improved technologies, infrastructure and technical and vocational training to foster innovation, providing a conducive business environment consisting of tax incentives and better access to financial capital, strengthening linkages between farmers and food processors, and removing trade barriers faced

by food processing enterprises, especially at the domestic and continental level where the greatest opportunities exist.

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