

INSIGHT

Leveraging AfCFTA for Africa's Agri-Business Export Sector

The African Continental Free Trade Area (AfCFTA) Agreement has the potential to unlock Africa's agricultural sector, future-proof food security, boost intra-African trade, and stimulate sustainable economic growth on the continent. However, Africa faces internal and external challenges that limit the benefits of the AfCFTA for agri-business export and hinder continental prosperity. Africa continues to face a significant internal infrastructure deficit, which should be addressed through strategic investment. The poor quality of transport and market infrastructure, inefficient and lengthy border procedures, lack of knowledge about trade regulations and rules of origin, and limited compliance capacity, increase the cost of trade in the agri-business sector.

Secondly, numerous non-tariff measures (NTMs) across the continent have significant impacts on trade dynamics and market access for African agri-traders. The rationale for adopting NTMs is to correct market inefficiencies but depending on how they are applied they can act as trade catalysts or trade barriers. The United Nations Conference on Trade and Development reports that NTMs are intended to protect human health. Sanitary and Phytosanitary (SPS) measures, account for 52% of all NTMs. A study conducted by [Santeramo and Lamonaca](#), however, concluded that NTMs tend to act more as barriers to trade than catalysts, with their respective effects outweighing any potential facilitative role. The [2023](#) and [2024](#) African Agriculture Trade Measures (AATM) Report recommends that governments reduce NTMs and incorporate actionable provisions that will stimulate agri-business trade within and beyond the continent and foster creation of regional value chains in agriculture.

The United States' erratic tariff threats have triggered global uncertainty and concern, with anticipated negative repercussions for Africa's economy and its access to international export markets. The current US trade posture towards Africa presents a stark contradiction. On the one hand the African Growth and Opportunity Act (AGOA) offers tariff-free access to the U.S. market for eligible African countries. On the other hand, the Trump administration has announced a new wave of tariffs set at 10% for imports from Kenya, Ethiopia, and Ghana, and rising to 19% for Nigeria, 31% for South Africa, and 50% for Lesotho. However, all tariffs above 10% have been temporarily suspended under an alleged 90-day review period, adding to the prevailing uncertainty. These tariffs will significantly impact African economies that are reliant on US trade and would contradict AGOA provisions.

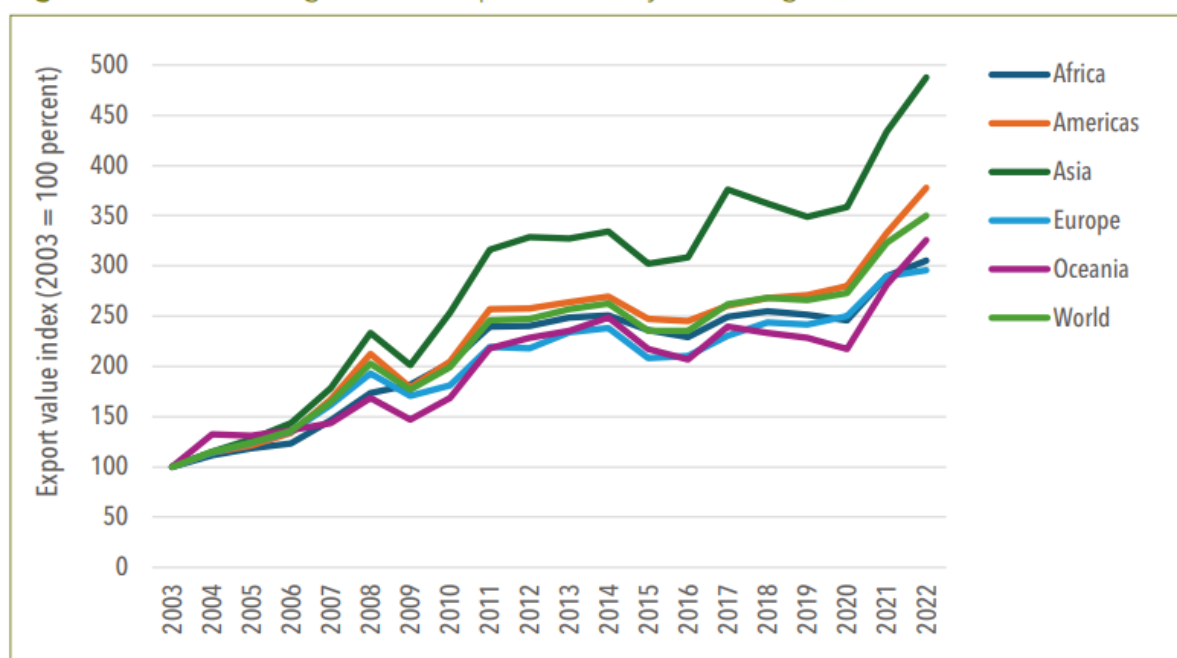
The Trump administration's 10% baseline rate on these countries will negatively affect African manufacturers in agricultural businesses as they mostly sell raw goods, not finished products to the U.S. For instance, under AGOA, Ghanaian cocoa, Ethiopian coffee, and Kenyan tea have consistently recorded high export volumes to the U.S. each year. It is highly likely that African nations will turn to alternative trade partners such as China as their top trading partner over the U.S. In the Agri-business sector, China is increasingly importing agricultural produce as well as crude oil, iron ore and copper. This

gives African countries an option to pursue alternatives and develop trading partners with other global nations.

Trends in African Agricultural Trade

While global agricultural trade has significantly increased over the last 25 years, intra-African agricultural trade represents a small share of Africa's total agricultural export. As shown in the table below, Africa ranks third after Asia and America in agricultural export growth. Taking 2003 as the base year, the AATM Report depicts Africa's steady growth showing its consistent upward trajectory until 2022:

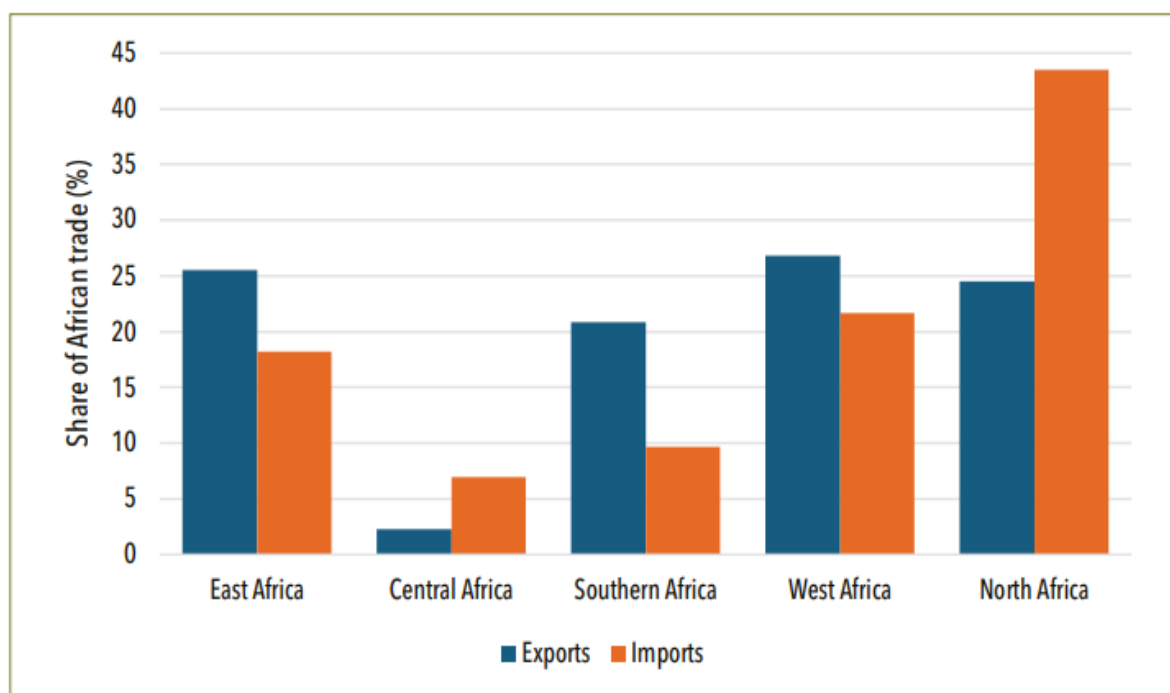
Figure 2.1 Trends in agricultural export value, by world region, 2003-2022



Source: Africa Agriculture Trade Monitor (AATM) Report

A regional breakdown of Africa's agricultural trade between 2018 and 2022 shows that the export share of Central Africa is 10 times smaller than that of other regions. In terms of import, North Africa leads at 43% followed by West Africa at 22% and East Africa at 18%. The AATM Report attributes North Africa's large import share to its geographical proximity to Europe and Middle East/Asia, which together contribute more than 60% of global agricultural trade.

Figure 2.3a Regional breakdown of Africa's agricultural trade, 2018-2022

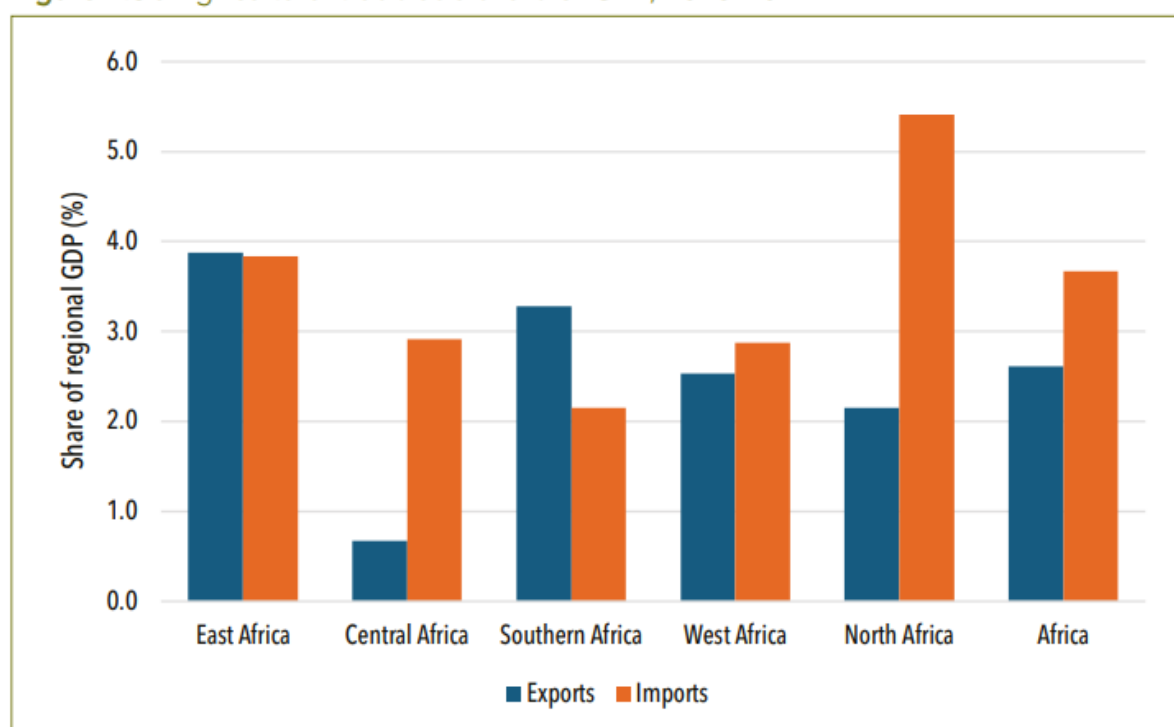


Source: Africa Agriculture Trade Monitor (AATM) Report 2024.

The AATM Report also analyses regional agricultural performance in Africa through the lens of the trade-to-GDP ratio. In terms of export share, East Africa leads with 3.9 % followed by Southern Africa at 3.2 %, West Africa at 2.5%, North Africa at 2.1%, and Central Africa at 0.7%. The regions' combined trade-to-GDP ratio records 2.6% of agricultural export share.

In terms of import share, North Africa is the most import-oriented region, with the highest import-to-GDP ratio at 5.4%, followed by East Africa at 3.8%. Central and West Africa each record 2.9%, while Southern Africa, reflecting a relatively lower dependence on agricultural imports, has the lowest ratio at 2.1%. Overall, Africa's combined import-to-GDP ratio stands at 3.7%, underscoring the continent's continued reliance on imports over exports.

Figure 2.3b Agricultural trade as a share of GDP, 2018-2022



Source: Africa Agriculture Trade Monitor (AATM) Report 2024

Leading African Agricultural Products in World Markets

Among the top 10 products exported by Africa, representing nearly 80% of the region's total agricultural exports, are edible fruits and nuts, which account for more than 21.1% of the share of products. Cocoa and cocoa preparation make up 15.1%, followed by coffee, tea, mate and spices at 8.4%. Vegetables and certain roots and tubers contribute 7.7%, followed closely by oilseeds and oleaginous fruits at 7.3%. Both tobacco and manufactured tobacco substitutes, as well as animal and vegetable fats and oil make 5.0% each of export share, while sugar and sugar confectionery, cotton and beverages, spirits and vinegar contribute 3.6%, 3.4% and 3.1%, respectively. Below is a breakdown of major African exporters of the most exported products by sub-region between 2018 and 2022.

Table 2.5a Major African exporters of the most exported products, by subregion, 2018-2022

Product	Top exporting subregion	Share of African exports (%)	Share of global exports (%)
Fruits and nuts, edible	Southern Africa	37.4	3.6
Cocoa and cocoa preparations	West Africa	87.0	17.1
Coffee, tea, mate, and spices	East Africa	90.0	9.2
Vegetables and certain roots and tubers	North Africa	63.1	4.2
Oilseeds and oleaginous fruits	West Africa	34.1	1.3
Tobacco and manufactured tobacco substitutes	East Africa	79.1	5.3
Animal or vegetable fats and oils	North Africa	44.2	1.2
Sugars and sugar confectionery	Southern Africa	38.8	1.9
Cotton	West Africa	65.7	8.0
Beverages, spirits, and vinegar	Southern Africa	77.4	1.2

Source: Africa Agriculture Trade Monitor (AATM) Report 2024

AATM also conducted an analysis on individual African countries versus the top 10 exported agricultural products, as shown in the table below.

Table 2.5b Major African exporters of the most exported products, by country, 2018-2022

Product	Top exporting country	Share of African exports (%)	Share of global exports (%)
Fruits and nuts, edible	South Africa	36.7	3.5
Cocoa and cocoa preparations	Côte d'Ivoire	54.8	10.8
Coffee, tea, mate, and spices	Kenya	29.7	3.0
Vegetables and certain roots and tubers	Morocco	34.6	2.3
Oilseeds and oleaginous fruits	Sudan	19.7	0.8
Tobacco and manufactured tobacco substitutes	Zimbabwe	33.2	2.2
Animal or vegetable fats and oils	Tunisia	25.1	0.7
Sugars and sugar confectionery	South Africa	21.8	1.1
Cotton	Benin	24.3	3.0
Beverages, spirits, and vinegar	South Africa	70.6	1.1

Source: Africa Agriculture Trade Monitor (AATM) Report 2024

Leveraging AfCFTA for Agri-Business Export

Akinwumi Adesina, former President of the African Development Bank (AfDB), famously stated that "the future of Africa lies not in the export of what we grow, but in what we make from what we grow". Africa holds 65% of the world's uncultivated arable land and is the largest source of renewable energy in the world. Adesina strongly believes that the future of Africa lies in investments, not aid. AfDB's grand priorities include ramping up special economic zones for agro-industrialisation to boost the engagement of Agri-business under the AfCFTA. Even with this objective, Adesina acknowledges that the quality of infrastructure in Africa needs to be prioritised as well. The 2024 African Prosperity Network held dialogues and championed addressing infrastructure gaps as avenues for investment. Infrastructure, inclusive of roads, rails, air and flights and mobility of people, are logistical factors that contribute to improving intra-African trade. Africa's agricultural trade under the AfCFTA stands to gain from the promise the world's largest free trade area offers if it can leverage on the following significant avenues:

- **Value addition**

Africa's top agricultural exports -- including cocoa from Ghana and Cote d'Ivoire; coffee from Ethiopia, Uganda and Rwanda; cotton from Burkina Faso, Mali and Chad; tea from Kenya; and cashew nuts from Nigeria, Tanzania and Benin -- contribute to the continent's trading capacity on a global scale, yet Africa retains barely 10% of the final value of these exports. In a [Report of the U.S. Department of Agriculture- Foreign Agriculture Service on Ghana- Cocoa Sector Overview-2025](#), Ghana and Cote d'Ivoire export cocoa beans to the U.S., who in turn export U.S.-origin chocolate and cocoa products worldwide and in 2024 recorded USD 23.6 billion of exports. This, in comparison with Ghana and Cote d'Ivoire's USD 6 billion earned annually, reflects the value-addition gap.

- **Tailored Partnerships**

Peroze writes that "raw exports are like selling your gold as dust. It is still gold, but it does not sparkle". If African countries had processing and packaging capacity, the maximum revenue earned from exports would give the continent an upper hand in economic development. The AfCFTA provides a suitable avenue for anchoring value addition within the Agreement's framework. AfCFTA state parties with leading special agro-processing zones have a competitive edge to combine farms, storage facilities, factories, and transportation corridors. In fact, Peroze's article refers to countries collaborating on value-addition as 'tailored partnerships.' Initiatives such as Ghana and Côte d'Ivoire establishing a joint chocolate processing and branding hub, the creation of a unified coffee consortium by Ethiopia, Rwanda, and Uganda, and joint ventures in fish processing and canning by Gabon, Senegal, and Angola, all demonstrate Africa's growing ability to harness the opportunities presented by the AfCFTA.

- **Trade-Enablers: Infrastructure**

Finally, the promise of the AfCFTA is a far-fetched dream if Africa's infrastructure continues to lag in quality and quantity. AfDB's Adesina, known as 'Africa's optimist-in-chief', believes in the continent's ability to transform and surpass expectations. He emphasizes intra-Africa trade stating that, "[t]rade is not a vacuum. It is people that trade." Drawing insights on the quest for a borderless Africa, he addresses visa openness as an advocacy tool by the AfDB to increase trade within the continent. As it stands, the real challenge is with the state of infrastructure, because even with a good passport, with no roads to travel on, or with incredibly expensive flights, intra-Africa's trading does not happen seamlessly. The [2025 African Prosperity Network's dialogue](#), under the theme "Delivering Africa's Single Market through Infrastructure: Invest. Connect. Integrate.", highlighted that the continent's infrastructure needs are estimated at USD 130-170 billion annually, with a financing gap of up to USD 108 billion. This is a call for Africa to address infrastructure gaps not only as investment opportunities, but also as an enabler of long-term prosperity for the continent.

Conclusion

Africa's agri-business export sector holds immense potential under the African Continental Free Trade Area (AfCFTA), but realising this promise requires overcoming persistent challenges. Internal infrastructure deficits, complex non-tariff measures, and global trade uncertainties, such as shifting U.S. tariff policies, continue to constrain growth. Despite these hurdles, the continent has shown resilience through regional collaboration, value addition initiatives, and efforts to diversify trade partnerships, notably with China, Europe and the Middle East. As highlighted in recent reports and initiatives, unlocking Africa's full trade potential will depend on strategic investments in infrastructure, tailored agro-industrial partnerships, and a stronger commitment to intra-African trade integration under the AfCFTA framework.

CONTACTS

*Should you require more information about the article, please do not hesitate to contact **Karim Anjarwalla, Daniel Ngumy or Luisa Cetina.***



Karim Anjarwalla
Senior Partner

karim.anjarwalla@aln.africa



Daniel Ngumy
Managing Partner

daniel.ngumy@aln.africa



Luisa Cetina
Director

luisa.cetina@aln.africa

Contributor

Faith Chelangat - Consultant

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