

Common Market for Eastern and Southern Africa (COMESA)

Baseline Review of General Exports and Food Exports from selected COMESA member States to USA

TABLE OF CONTENTS

[Executive Summery 3](#_Toc3536194)

[Summary of analyses of Export Performance of Selected COMESA Member States 4](#_Toc3536195)

[Chapter 1: Introduction 8](#_Toc3536196)

[The United States of America Trade Partnership with Africa 8](#_Toc3536197)

[AGOA product Eligibility 9](#_Toc3536198)

[Chapter Two: Requirement for Food Import into U.S.A market 10](#_Toc3536199)

[General Requirements for Food Import into USA 10](#_Toc3536200)

[Chapter Three: The U.S. Specialty Food Market 13](#_Toc3536201)

[Statistics and Facts on the Processed Food Market in the U.S 14](#_Toc3536202)

[Chapter Three: Country Level Analysis 15](#_Toc3536203)

[1. Madagascar 15](#_Toc3536204)

[2. Kenya 25](#_Toc3536205)

[3. Uganda 40](#_Toc3536207)

[4 Zambia 49](#_Toc3536208)

[5 Rwanda 56](#_Toc3536209)

[6 Ethiopia 64](#_Toc3536210)

[7 Mauritius 71](#_Toc3536211)

[Annex 1 77](#_Toc3536212)

[FDA trained Lead Auditors (Food Safety Experts) that can Conduct FDA recognised Preventive Control Qualified Individuals training 77](#_Toc3536213)

# Executive Summery

The African Growth and Opportunity Act (AGOA) is a legislation that was approved by the U.S. Congress in May 2000. The purpose of this legislation is to assist the economies of sub-Saharan Africa and to improve economic relations between the United States and the region. It expanded. It expanded the (duty-free) benefits previously only available under the Generalized System of Preferences (GSP) program. Thus the duty-free access to the U.S. market under the combined AGOA/GSP program stands at approximately 6,400 product tariff lines. The list of products that AGOA does not cover is pretty short. On agricultural goods AGOA covers almost everything except the few products, such as tobacco and sugar, subject to tariff-rate quotas. In addition AGOA also provides a framework for sub Saharan Africa governments, the private sector and civil society to work together to build trade capacity and expand business links between the United States and Africa. This involves technical assistance related to world trade rules, customs reform and modernization, development of industry standards and regulations, intellectual property rights (IPR) enforcement and infrastructure modernization. This report analyses exports data, National AGOA strategies and National Export Development strategies of seven Common Market for Eastern and Southern Africa (COMESA) member States to identify priority processed food sectors for expanding exports to US markets.

## Summary of analyses of Export Performance of Selected COMESA Member States

### Madagascar: In 2018 Madagascar shipped US$3 billion worth of goods around the globe. This reflects a dollar amount increase of 33.7% since 2014 and a 5.3% sales uptick from 2017 to 2018. The country’s most valuable exported goods were spice vanilla ($855.4 million), unwrought nickel ($427.2 million), cobalt ($226.2 million), cloves ($149 million) then knitted or crocheted jerseys, pullovers and overcoats ($131.1 million), crustaceans including lobsters ($99.6 million) and gold ($91.8 million). Madagascar’s main food exports to the US are basically composed of vanilla, cloves, coffee, other spices and essential oil.

### Priority Value Chains/Products; Below are the key priority sector identified to have the greatest potential to increase Madagascar food exports based on the analysis of exports, AGOA strategy and the International Trade Centre (ITC) Export Potential Map; Fishery products: Shrimps and prawns, prepared or preserved tunas, Vanilla, clove, coffee, essential oils (for food, cosmetic and pharmaceutical industry )

### Kenya: At product grouping level the following export product/product groups registered the highest dollar value in Kenyan global exports in 2017. The list shows that Kenyan most valuable export was back tea, other products were fresh or dried flowers for bouquets or ornamental purposes, refined petroleum oils, coffee, titanium ores and concentrates then medication mixes in dosage. Kenya’s main food export to US includes; coffee, tea & spice, edible fruit, nuts and vegetable oils.

### Priority Value Chains/Products: The Kenya AGOA strategy prioritized the following food products/sectors as with a great priority to increase food exports; Specialty coffee, Dried tropical fruit Snacks, Fruit Concentrates, Hot Sauces, Tropical Fruit Marmalade, Processed and Packaged Tea , Spices., Macadamia nuts

### Uganda: In 2017 Uganda exports to the world was worth US$2.9 billion. This reflected a 20.5% increase since 2013 and a 16.9% gain from 2016 to 2017. A bout 40% of Ugandan exports by value were delivered to African countries (mainly the COMESA countries) and 25% was sold to Asian importers. Another 20% worth of goods were shipped to Europe, with the bulk of the remainder exported to Middle Eastern nations well ahead of North America at 2.8%. The main exports with the highest dollar value in global shipments in 2017 are as shown below. The products have been analyzed at four-digit Harmonized Tariff System code level. At this level the most valuable Ugandan export products are coffee trailed by gold, refined petroleum oils, fish fillets and pieces, sugar, corn then tea. Uganda’s main food exports to US includes; coffee, unroasted, tea, spices, other dairy products, other vegetable oils, fish and seafood

**Priority Value Chains/Products:** The Uganda National AGOA strategy 2018-2025 identified products where Uganda has a competitive advantage, namely: **casein (a milk nutrient), Arabica coffee, fish fillets, cut flowers (sweetheart roses), the final list of food products/sectors includes; Coffee, Fish, Casein, Vanilla, Dried Fruits, Shea Butter**

###  Zambia: Zambia exported US$8.1 billion worth of goods around the globe in 2017. This was a 26.5% increase from 2016 to 2017 but a -23.3% drop in the value of its exports since 2013. The exports were dominated by copper followed by tobacco, precious stones and corn. About 47.9% of total Zambian exports value was delivered to Europe making Europe the leading importer of Zambian products. Regional Africa exports accounted for only 8.8% of total exports signaling the countries is not taking advantage of the COMES and SADC free trade area. Zambia top 10 exports in 2017 accounted for 89.9% of the overall value of Zambian global shipments. The export product/group with the highest dollar value in during 2017 is listed below. This has been calculated at four-digit Harmonized Tariff System code level. Zambia’s main food exports to US includes; coffee, tea, spices, dairy, eggs and honey

**Priority Sectors/Value Chains;** the following priority food products/value chains were identified in the Zambia National AGOA strategy to have the potential to increase Zambia food exports; **honey, coffee, tubers, mango, pineapple and few other fruits, grains/cereals, dairy, chicken, macadamia, and spices.** However the strategy noted that products must meet price competitiveness since the sectors/value chains are still at nascent stage.

### Rwanda: In 2017 Rwanda shipped an estimated US$293.9 million worth of goods around the globe in 2017. At the 2-digit Harmonized Tariff System (HTS[[1]](#footnote-1)) code level, the below export product groups represented the highest dollar value in Rwandan global shipments. However at 4-digit HTS codes, the country’s most valuable exported products were coffee ($62.3 million), tin ($54.9 million), niobium and zirconium. Rwanda’s main food exports to US includes; coffee, unroasted, tea, including herb, tree nuts, processed fruit & vegetables and essential oils.

**Priority Sectors/Value Chain;** The Rwanda AGOA National AGOA strategy 2018-2025 identified value added agricultural products as among products with the greatest potential to enhance Rwanda’s exports to US and other international markets. The main products/value chains identified are; **Coffee, packaged and roasted, dried tropical fruit snacks (pineapple, banana, and mango), Fruit juice concentrates, Tea, processed and packaged, spices (saffron, ginger, pepper [genus Piper], anise or badian seeds, and cinnamon) and Macadamia nuts.**

1. **Ethiopia:** The following export product groups were the top 10 product with the highest dollar value during 2017. This has been calculated at four-digit Harmonized Tariff System level. At this level the most valuable exported products were coffee followed by miscellaneous oil seeds and oleaginous fruits. Ethiopians main food exports to US includes; coffee, tea & spice miscellaneous grain, seeds, fruit (oleaginous nut)

**Priority Sector/Value Chains;** The Government of Ethiopia seeks to boost exports and trade through $1 billion annual investment in agro processing industrial parks to make Ethiopia a top manufacturing hub on the continent. The Integrated Agro-Industrial Parks (IAIP) are a key focus of Ethiopia's economic development strategy. Key agricultural commodities intended for processing and exports through the IAIP are the following: **Coffee, Cereals (Sorghum, maize), pulses, Oilseeds and Spices, horticulture, meat and dairy**

### 7. Mauritius: At the 2-digit Harmonized Tariff System (HTS) code level the following export product groups represented the highest dollar value in Mauritian global shipments during 2017; Knit or crochet clothing, accessories, Clothing, accessories, Meat/seafood preparations, Sugar, sugar confectionery, Fish, Gems, precious metals. Mauritius main food exports to US includes; raw beet & cane sugar, spices, sugars, sweeteners, tea, including herb, meat and fish

**Priority Sector/Value Chain:** The Mauritius National Export Strategy 2017-2021 prioritized

**fisheries, aquaculture and processed food products value chains** to drive its effort to increase food exports earnings

**Summary of requirements under the FDA Food Safety Modernization Act (FSMA)**

The U.S. FDA Food Safety Modernization Act (FSMA), signed into law on January 4, 2011, requires all exporters including COMESA exporters of food to United States to meet the same food processing requirements as local US food manufacturers. The aim of FSMA is to ensure the food supply is safe by shifting the focus of federal regulators from responding to contamination to preventing it. The Act creates new requirements for food processors stipulated in specific rules or regulations.

Therefore, for COMESA exporters to take advantage of opportunities provided under the AGOA they must meet the latest FDA requirements under FSMA. One of the most important rules/regulations for exporters of food products into US is the FSMA Final Rule on Foreign Supplier Verification Programs (FSVP) for Importers of Food for Humans and Animals. This programme began in May 30, 2017. Importers are required to establish and follow written procedures to ensure that they import foods only from approved foreign suppliers based on an evaluation of the risk posed by the imported food and the supplier’s performance. This will require that exporters put in place preventive food safety systems in their processing facilities.

Thus, exporters/suppliers of food products into US markets are required to implement a food safety plan throughout their facility. The requirements for a HACCP/food safety plan, are stipulated in the FDA’s *Preventive Controls for Human Food (PCHF)* regulation. Although different, the regulation builds on existing food safety principles in Codex HACCP or the ISO 22000 standard requirements that COMESA medium/large scale food processing facilities are already used to. SMEs that neither implement HACCP or ISO 22000 would certainly be challenged and national food safety regulatory frameworks would have to adjust to the new requirements, particularly those not previously applied in alternative major export destinations such as the EU. Consequently, there is need to for holistic capacity building and technical support towards implementation of FSMA compliant food safety plans in all value-added food processing facilities in the COMESA region.

Based on the priority value chains identified, processing facilities with potential to export food products to the USA were identified. Furthermore, food safety professionals with knowledge on FSMA were identified for consideration to participate in the COMESA FSMA capacity building initiative and to be available in the longer term for sustained support to the food processing facilities. Ultimately, exporters interested in US market will not only be equipped with technical skills but will have access to a seasoned pool of FSMA food safety professionals to rely on.

# Chapter 1: Introduction

## **The United States of America Trade Partnership with Africa**

The United States of America has a long standing Trade relationship with Africa. In 1993, after the end of apartheid in South Africa, the United States Congress approved the end of anti-Apartheid restrictions, this opened the door for trade relationship that included South Africa. Based on this new partnership the United States Government (USG) enhanced trade relationship sub-Saharan Africa through the enactment of the African Growth and Opportunity Act (AGOA).The AGOA is a U.S.G Trade Act, signed by President Clinton on May 18, 2000 as Public Law 106 of the 200th Congress. It has since been renewed to 2025 by President Obama. This act allows for a variety of African products to be imported into the United States mostly duty free.

AGOA expanded the (duty-free) benefits previously only available under the Generalized System of Preferences (GSP) program. Thus the duty-free access to the U.S. market under the combined AGOA/GSP program stands at approximately 6,400 product tariff lines. The list of products that AGOA does not cover is pretty short. On agricultural goods AGOA covers almost everything except the few products, such as tobacco and sugar, subject to tariff-rate quotas. In addition AGOA also provides a framework for sub Saharan Africa governments, the private sector and civil society to work together to build trade capacity and expand business links between the United States and Africa. This involves technical assistance related to world trade rules, customs reform and modernization, development of industry standards and regulations, intellectual property rights (IPR) enforcement and infrastructure modernization.

At regional level, the Common Market for Eastern and Southern Africa (COMESA) signed the Trade and Investment Framework Agreement (TIFA) with United States 2001. The U.S. trade capacity-building assistance to COMESA is mainly delivered through USAID's East Africa regional mission based in Kenya. The support has helped COMESA to advance its internal free trade area, to harmonize members' policies in telecommunications and Sanitary and Phytosanitary (SPS), services, and investment, and to increase trade linkages with the United States under AGOA.

On the trade front, the United States had US $11.6 billion worth of two ways trade in goods with COMESA countries in 2017 of which $5.4 billion were imports from COMESA countries. This is a 43.2% ($1.6 billion) increase from 2016, but down 26.3% from 2007. The top 5 U.S. import suppliers from the COMESA countries for 2017 were: Egypt ($1.6 billion), Libya ($1.4 billion), Madagascar ($743 million), Kenya ($572 million), and Ethiopia ($292 million).The 2017 top import products at 2-digit HS were: mineral fuels ($1.6 billion), woven apparel ($789 million), coffee, tea & spice ($744 million), knit apparel ($641 million), and precious metal and stone (diamonds) ($142 million).

## AGOA product Eligibility

Products become eligible for AGOA duty free when it’s produced or manufactured in AGOA beneficiary country through more than a simple combining or packaging operation, and must be exported directly to the U.S. The products must also meet the specific rule of origin requirements and must be accompanied by import documentation that claims AGOA benefits on the relevant shipping documents. There are also additional requirements for specific types of products. In the case of agricultural products, they must comply with regulations established by the U.S. Agriculture Department to protect the health of the American public. In addition, beneficiary countries exporting agricultural and food products to the U.S will have to provide the U.S. Food and Drug Administration with advance notice of each shipment entering the U.S to permit the agency to target inspections more effectively and help ensure the safety of those products.

# Chapter Two: Requirement for Food Import into U.S.A market

## General Requirements for Food Import into USA

Technically, the United Stated Department of Agriculture (USDA) is responsible for the safety of meat, poultry and egg products, while the Food and Drug Agency (FDA) regulates all other foods products. With the exception of a few categories such as meats, canned product and juice products, both the FDA and USDA have always provided basic guidelines on food handling, processing most of which were covered under Good Manufacturing Practices (GMP). In most cases, both agencies left the specifications, documentation and product specifications to the buyer and seller. After 9/11, both departments stepped up their involvement in the qualification of products and plants. In 2002, the Bio-terrorism Act was put into place to enhance the overall security of the U.S. food supply. Along with increased inspections, the FDA required all plants, both foreign and national, to register with the FDA. This allows the FDA to quickly identify the manufacturer before the arrival of their product through a process labeled “Prior Notice.” Prior notice of imported foods must be received and confirmed electronically by the FDA no more than ten days before arrival in the United States. Registration information can be found on the FDA website. The process takes about an hour to complete.

 In 2011, the Food Safety Modernization Act (FSMA) was signed into law. Although the law seems to be a bit confusing for most, from a processor’s stand point, the new rules and regulations have a lot in common with HACCP and/or ISO 22000 of which most processors in Rwanda, Ethiopia, Zambia, Uganda, Kenya, Madagascar and Mauritius are familiar with. Food export companies and regulatory authorities need to be aware of the areas that need to be tweaked to align food safety systems with US FDA requirements.

The FDA has in the past stipulated product specific HACCP/food safety requirements. Specific food products will have to comply with these regulations. Following are a few important regulations to bring to the attention of COMESA exporters:

1. In 1973, FDA established HACCP controls for the canning industry;
2. In 1997, FDA established HACCP controls for the fish industry;
3. In 1998, the FDA established HACCP controls for most meat products;
4. In 2001, FDA established HACCP controls for the Juice Industry.

Basic steps before exporting:

1. Register with the FDA (Pre-notice);
2. Hire an import Broker and country representative;
3. Establish and maintain the HACCP program in the export processing facility;
4. Procure third party audits to verify compliance with the FIVP (usually performed by medium to large companies, smaller companies can be exempted from this).

**Food Safety Modernization Act (FSMA)**

The United States of America Federation Food and Drug Agency (U.S. FDA) Food Safety Modernization Act (FSMA) was signed into law in January 2011. It transformed the United States food safety system into one that is based on the prevention of foodborne illnesses. It is a system in which the food industry is required to systematically put in place measures proven effective in preventing contamination. The Act authorizes the U.S. Food and Drug Administration (FDA) to take a preventive approach to food safety. It includes the authority to establish for the first-time food safety requirements for farms producing fruits and vegetables, and creates new requirements for food processors. The Preventive Controls Rule1 was finalized in September 2015 by the FDA. It governs food processing operations (facilities), and which can include farms depending on the degree of value-added processing they are doing. In November 2015, FDA finalized the Produce Safety Rule2, which sets food safety standards for farms to follow in an effort to minimize the risks of microbiological contamination that may occur during the growing, harvesting, packing, and holding fresh produce. These two rules are among seven major rules that span across the supply chain, from farms to transportation to processing to imports.

One of the most important rules for exporters of food products into US is the FSMA Final Rule on Foreign Supplier Verification Programs (FSVP) for Importers of Food for Humans and Animals. The programme that began in May 30, 2017, requires importers covered by the rule to put in place to verify that their foreign suppliers are producing food in a manner that provides the same level of public health protection as the preventive controls. Importers must establish and follow written procedures to ensure that they import foods only from foreign suppliers approved based on an evaluation of the risk posed by the imported food and the supplier’s performance or, when necessary on a temporary basis, from unapproved suppliers whose foods are subjected to adequate verification activities before being imported.US food Importers are required to establish and follow written procedures to ensure that they import foods only from foreign suppliers approved based on an evaluation of the risk posed by the imported food and the supplier’s performance or, when necessary on a temporary basis, from unapproved suppliers whose foods are subjected to adequate verification activities before being imported.

Thus the regulation requires that certain activities in the food processing plant be performed by a Preventive Controls Qualified Individual (PCQI) who has successfully completed training in the development and application of risk-based preventive controls. A PCQI is a qualified individual who has successfully completed training in the development and application of risk-based preventive controls under a standardized curriculum recognized as adequate by FDA. Key responsibilities of a “preventive controls qualified individual” includes to oversee 1) preparation of the Food Safety Plan, 2) validation of the preventive controls, 3) records review, 4) reanalysis of the Food Safety Plan, and other activities as appropriate to the food.

Most of the COMESA export oriented food companies do not have PCQI in their facilities due to lack of FDA recognized Lead Instructors (LIs) to offer the training . However the USDA, FDA and the East Africa Trade and Investment conducted the first training for LIs in March 2018 in East Africa. The training has since enhanced access to PCQI training opportunities for local export-oriented food companies. The COMESA FSMA initiative builds on this resources to support food export companies in their efforts to develop and implement FSMA compliant food safety systems required to access US markets.

This is very important because the FSMA rules require all foreign processors (with few exceptions) to comply with the FSMA Rule on Foreign Supplier Verification Program (FSVP). This latest requirement has raised compliance concerns with foreign suppliers (including COMESA export companies). The main concern is potential loss of market share/access due to noncompliance with the regulation. The main fear is that the regulation may become a Non-Tariff Barrier (NTB). Adopting and translating these regulations may just require knowledge of the New US regulations and documentation of the food safety plan as required. Therefore it is essential that the COMESA Secretariat identifies and provide technical assistance to local food exporters to understand the USA market food import requirement and the process needed to implement the requirements to ensure continued USA market access.

# Chapter Three: The U.S. Specialty Food Market

According to the Specialty Food Association, Specialty foods are unique and highly valuable food items. These are foods or beverages of the highest grade, style, and/or quality in their respective categories. Their specialty nature comes from a combination of some or all of the following qualities: uniqueness, origin, processing method, design, limited supply, unusual application or use, extraordinary packaging, or channel of distribution/sale. Normally, this type of food is produced from small amounts of high-quality ingredients, which is the reason behind their above-average price tag, but also their overall quality and health benefits. It offers customers an additional value, which may be based on characteristics. Most of the food exported from Sub-Saharan Africa to United States fall in the specialty food segment of the market. This is due to the above-average price tag associated with specialty foods. The high price tag and product uniqueness enables sub Saharan Africa exporters to remain competitive in the US market in spite of the high logistic cost associated with exporting food to United States.

Food has direct connection to cultural articulation; dietary practices from shopping to eating can be among the most profound bonds to a country, family and home. According to Craig Hadley and Daniel Sellen, “The foods that people eat are critical in defining them and are an integral part of shaping ethnic identity so that maintenance of food related cultural practices in situations of forced relocation beyond the homeland may play an important psychological role in continually re-confirming ties to one's culture and traditions.”

Improving access to culturally appropriate healthy food begins by working through the community’s already substantial assets. A number of African stores are already in business throughout the United States, and new ones are opening on a regular basis. African-owned businesses provide many functions to the community. These stores operate as social centres, cultural consultants, language translators, and centres of “safe” and comfortable food and products. For single parents and for newly arrived immigrants especially, these cultural businesses can be a lifeline of support.

## Statistics and Facts on the Processed Food Market in the U.S

The United States of America imported US$2.409 trillion worth of goods in 2017. This import amount of import value reflects a 3.6% increase since 2013 and a 7.2% gain from 2016 to 2017.It is worth noting that from January to September 2018, America’s imported goods were valued at $1.938 trillion. This 9-month metric puts US imports on track for an annualized $2.584 trillion estimated for 2018. From the continental sourcing perspective, 45.9% of America’s total imports by value in 2017 came from Asia, 25.9% of import sales to the U.S. came from North America, while 21.1% worth originated from Europe. At 5%, suppliers from Latin America (excluding Mexico) plus the Caribbean account for a smaller percentage of American import purchase, with an even tinier 1.4% coming from supplies in Africa.

The 2018 Specialty Food Association’s (SFA) annual State of the Specialty Food industry report, released in June 2018 revealed that specialty food remain one of the fastest-growing segments of the food business. It is fuelled by increasing interest from both consumers and retailers. The total sales jumped 11% between 2015 and 2017, hitting $140.3 billion. This food segment sales outpaced the growth of all food at retail, which is up 12.9% vs. 1.4%. There are two main factors contributing to this trend, product innovation and the wider availability of specialty foods through mass-market outlets. The sales through foodservice increased 12.8% and online by 21% as U.S. consumers make specialty food a regular part of their diets both at home and when dining out. The online sales open a window to sub-Saharan Africa exporters to reach consumers directly.

Processed food especially Specialty foods offer customers an additional value, which may be based on characteristics such as ethnic or cultural origin, extraordinary ingredient usage or innovative packaging. These products often command a premium price. The most recent consumer survey revealed that less people bought foods with an added value in 2015. The majority of shoppers reported that their purchase decision of specialty foods was highly influenced by their likeliness of trying new things. One of the primary ways in which partnerships are created locally, nationally and internationally around specialty foods is through the Specialty Food Association, host of several fancy food shows in the United States. Participation in these shows are a vital component for AGOA export eligible countries that have viable specialty goods and need to “test the waters” of the U.S. market.

The Specialty Food Association is a U.S.-based community of food artisans, purveyors, importers and entrepreneurs who bring craft and care to the distinctive foods they sell. Established in 1952 in New York, the not-for-profit trade association provides its 3,000+ members in the U.S. and abroad the tools, knowledge and connections to grow their companies in an always-evolving marketplace. The Association (formerly the National Association for the Specialty Food Trade, Inc.) owns and produces the winter and Summer Fancy Food Shows, and presents the Sofi Awards honouring excellence in specialty food.

# Chapter Three: Country Level Analysis

## Madagascar

According to the African Development Bank’s 2019 economic outlook report, Madagascar real GDP growth reached an estimated 5.0% in 2018, up from 4.2% in 2017. During this period the country’s agricultural sector expanded by 4.5% down from 6.6% in 2017 while the industrial sector expanded by 6.7%, driven mainly by textiles and the manufacture of essential oils. In early 2018 the country was affected by plague, but despite the epidemic, the service sector expanded by 5.4%. However growth in aggregate demand in 2018 was driven largely by public and private investments in infrastructure such as roads, airports, energy, and the port of Toamasina. In addition the increase external demand for vanilla, textiles and essential oils contributed to growth.

In 2018 Madagascar exports were dominated by cloves, vanilla, and mining products. These are products with little value add. However Madagascar has a comparative advantage in some niche products such as cloves, lychee, vanilla, cocoa beans, green coffee, and essential oils that it can easily increase export earnings through local processing that can create higher export value. A mixture of industrial policy and the special economic zone regime can make this a reality which can turn this potential into jobs and economic growth.

On regional trade front the country has benefited little from membership in the Indian Ocean Commission, the Southern African Development Community, and the Common Market for Eastern and Southern Africa and from being a signatory to the African Continental Free Trade Agreement. This is due to its location that attracts high transportation costs to the regional markets. It has a huge infrastructure deficit that makes commercial transactions expensive, hindering private sector competitiveness. However this can mitigated through improved logistics at the main ports and airports, and along the main corridors by applying international norms and standards, and eliminating nontariff barriers.

### Madagascar Overall Exports

In 2018 Madagascar shipped US$3 billion worth of goods around the globe. This reflects a dollar amount increase of 33.7% since 2014 and a 5.3% sales uptick from 2017 to 2018. The country’s most valuable exported goods were spice vanilla ($855.4 million), unwrought nickel ($427.2 million), cobalt ($226.2 million), cloves ($149 million) then knitted or crocheted jerseys, pullovers and overcoats ($131.1 million), crustaceans including lobsters ($99.6 million) and gold ($91.8 million). The top ten export products are;

1. Coffee, tea, spices: US$1 billion (34.2% of total exports)
2. Nickel: $427.7 million (14.3%)
3. Clothing, accessories (not knit or crochet): $267.7 million (8.9%)
4. Other base metals: $226.2 million (7.5%)
5. Knit or crochet clothing, accessories: $219.3 million (7.3%)
6. Gems, precious metals: $123.8 million (4.1%)
7. Fish: $114.2 million (3.8%)
8. Ores, slag, ash: $89.2 million (3%)
9. Perfumes, cosmetics: $71.9 million (2.4%)
10. Mineral fuels including oil: $51.5 million (1.7%

Table 1 below shows the countries that imported the most Malagasy shipments by dollar value in 2018. The below 15 countries accounted for 87.2% of all Madagascar exports. The United States was the number of importer of the Madagascar goods, followed by France, Germany, Japan and the Netherlands closed the top 5 spots. The market that registered the strongest gains from 2017 to 2018 was Japan (up 116.4%), Taiwan (up 95.1%), United Arab Emirates (up 41.2%) and South Africa (up 31.2%). However the year-over-year declines ranged from -4.9% for France to -37.1% for Spain and -39.3% for Singapore.

Table 1 Countries that imported most Malagasy goods by dollar value during 2018.

|  |  |  |  |
| --- | --- | --- | --- |
| Rank  | Export Destination  | 2018 export value in USD million | % of Madagascar’s total exports) |
| 1 | United States  | 624  | 20.8%  |
|  | France | 613.8  | 20.5% |
|  | Germany | 213.9 | 7.1% |
|  | Japan | 211.7  | 7.1% |
|  | Netherlands | 153  | 5.1% |
|  | China | 150  | 5% |
|  | United Arab Emirates | 111.3  | 3.7% |
|  | South Africa | 102.3  | 3.4% |
|  | South Korea | 86.9  | 2.9% |
|  | India  | 78.3 | 2.6% |
|  | Canada  | 68.1  | 2.3% |
|  | Mauritius | 64.1  | 2.1% |
|  | Singapore  | 51.2  | 1.7% |
|  | Taiwan million  | 44.2 | 1.5% |
|  | Spain | $40.6 | 1.4%) |

Source: <http://www.worldstopexports.com/madagascars-top-import-partners/>

The strong growth in export to United Stated of America can be attributed to the fact that the Madagascar was among the first Sub Saharan African countries to meet the African Growth and Opportunity Act (AGOA) eligibility criteria in the year 2000. The country was removed from AGOA eligibility in 2010, following a 2009 coup d’état. Due to the loss of AGOA eligibility, Madagascar’s total exports to the U.S. declined by 56 percent. In particular, textile exports to the U.S., which surged under AGOA, fell abruptly while non-apparel and clothing exports gradually increased. However Madagascar AGOA eligibility was reinstated in 2014 which has led to the current surge in value of exports to United States of America.

With regard to intra-regional trade, Madagascar has not registered significant increase in its exports, despite the signing of Free Trade Agreement under Southern Africa Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) trade arrangements. In 2017, Madagascar exported goods to the rest of Africa to the value of US$0.4 billion. Intra-Africa exports accounted for 8% of Madagascar’s total exports. The main export is vanilla. The top ten most exported products to regional markets account for 5.3% of Madagascar’s total exports. The main regional trading partners are South Africa and Mauritius. South Africa mainly exports coal, briquettes and petroleum oils to Madagascar, whereas Mauritius exports fabrics, destined to the production of clothing such as T-shirts. Madagascar exports vanilla to Mauritius for the most part and cobalt mattes to South Africa. The Madagascar National AGOA launched in April 2015, identified the following products as having great potential for export to the US market; Vanilla, clove, coffee, Mining product: Nickel and Cobalt, Fishing product: Shrimps and prawns, prepared or preserved tunas, Textile, Essential oil and Handicraft.

### Madagascar Exports to the US

 From 2001 to 2009, exports to the US were mainly driven by AGOA, which increased continuously and topped at more than USD 300 Million in 2004. From 2005 and 2009, non-AGOA exports to the US were very low, amounting to USD 50 Million. After the loss of AGOA in 2009 however, non-AGOA exports grew up progressively, amounting to USD 350 Million in 2016, which represents more than 70% of total exports to the US. When Madagascar AGOA eligibility was reinstated in 2014, the surge in value continued.

Figure 1. Madagascar exports to the US, Million USD

Source USITC data

Madagascar’s exports to the US were basically composed of vanilla, cloves, coffee, and textile products. In the recent years however, Madagascar began to export mining products such as Nickel and Cobalt as the Ambatovy mining project entered fully to its exploitation phase. At the same time, exports of articles of natural or cultured pearls, precious or semiprecious stones continue to increase and constitute the fourth export products to the US in 2016. Export of essential oils expanded since 2010 and appear among the top-10 non-AGOA exports to the US.



*Figure 2. Top 10 non-AGOA exports to the US, 2016-Source: USITC*

### Madagascar Food Exports

Agriculture, including fishing and forestry is the backbone of Madagascar's economy. It account for more than one-fourth of GDP and employing four-fifths of the population. However, because of the mountainous terrain, only 5 % of Madagascar is farmed. The chief food crop is rice, which is grown on about one half of the agricultural land. Other important food crops are cassava, sweet potatoes, fresh vegetables, bananas, maize and beans. Leading export crops are vanilla, cloves, fruits, cocoa, sugarcane and coffee. About five per cent of the land area is cultivated at any given time, of which 16 per cent is irrigated. The average farm size is 1.3 hectares, with most farmers practicing subsistence agriculture. On specialty food Industry, Madagascar is known throughout the world as the primary source of high-end spices.  Yet, many of the spices have yet to find their full potential due to a lack of understanding from the processor as to how to enter the U.S. market. Table 2 below give the list of 10 ten food exported by Madagascar in 2016 and 2017.

Table 2. To Ten Madagascar Food Exports 2016 and 2017 data

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Product** | **2016** | **2017** | **2018** |
| **Quantity MT** | **Value in USD** | **Quantity MT** | **Value in USD** | **Quantity MT** | **Value in USD** |
| 1 | **vanilla** | 1609 | 480, 909,577 | 1615 | 757, 502,618 | 2272 | 955,392,423 |
| 2 | **clove** | 20896 | 176,499, 959 | 30672 | 244,369,993 | 46266 | 161,015,097 |
| 3 | **shrimp** | 8499 | 105, 261,487 | 9212 | 117,067,482 | 7437 | 95,537,547 |
| 4 | **clove oïl**  | 1931 | 26, 547,023 | 1876 | 31,184,415 | 2763 | 61,332,016 |
| 5 | **vanilla oil**  | 106 | 21, 484,285 | 204 | 42,631,484 | 162 | 42,771,048 |
| 6 | **bean** | 77655 | 40, 117,463 | 64545 | 26,048,267 | 55366 | 21,885,528 |
| 7 | **cocoa beans** | 9348 | 26, 449,378 | 12554 | 24,969,199 | 9666 | 21,773,666 |
| 8 | **other crustaceans** | 3553 | 18, 980,772 | 3711 | 17,242,512 | 4619 | 17,849,180 |
| 9 | **lychee** | 19269 | 14, 960,549 | 18363 | 16,088,636 | 22067 | 19,301,432 |
| 10 | **fish** | 3050 | 9, 796,488 | 3921 | 11,522,714 | 3431 | 9,430,998 |

NB: Annual rate exchange in 2016: 1USD = 2700 Ariary Annual rate exchange in 2017: 1USD = 2850 Ariary, Annual rate exchange in 2018: 1USD = 3000 Ariary

### Priority value chains/products

Based on the preceding analysis of the Madagascar exports and the International Trade Centre (ITC) Export Potential Map, the following products/value chains can be ranked as having the greatest potential to increase Madagascar food exports:

1. Vanilla, clove, coffee
2. Fishing product: Shrimps and prawns, prepared or preserved tunas
3. Essential oils (for food, cosmetic and pharmaceutical industry )

The above products are further discussed below in their respective value chains;

**The aquaculture value chain:** According to the ITC Export Potential Map, shrimps and prawns represent a potential of export to the US amounting to US$ 16 Million and prepared tunas a potential of US$ 7.6 Million. The Madagascar coastal line is well known for fishing product and the expansion of aquaculture in the northern part of the country is promising to increase the quantity and quality of fish production in the country. However proper food safety system and modern transport logistic must be in place for Madagascar to realize this potential. With proper planning the country can therefore increase exports of this sector to the US.

**Essential oils:** Even though Essential oils are not traditional export products for Madagascar during the recent years, its exportation has increased. According to ITC, export of essential oils to the US has a potential of USD 6.3 Million. Madagascar is an agricultural country with 80% of the population leaving in rural areas. Land, natural resources and labour are abundant. Hence, the country can maximize its exports of essential oils to the US in the future.

**Spices and aromatics for Specialty foods:** It is estimated that Madagascar produces nearly 80% of total world annual production of vanilla. In addition to the vanilla cloves, coffee, cocoa, pepper and assorted spices are key Madagascar export in this value chain. Vanilla presents an export potential of USD 133 Million, cloves presents an export potential of USD 11,6 Millions, pepper USD 2,1 Million and cocoa beans USD 2,9 Millions.

A part from the above main products, some of the emerging products that can be developed into full export products are;

**Fruit Purees;** there is a modern vertically integrated puree plant located in the Futura Business Park in Andranomena.  The plant produces about 3,000mt per year of organic pineapple puree, lychee and mango juice. The plant is ISO 22000 certified and is currently exporting to Europe. The demand for certified organic puree is there in the international market. However the company needs technical assistance to increase the line processing productivity to increase yields, explore alternative packing from 55 gallon drums to large aseptic drums and direct link to high end industrial markets to maximize margins.

**Honey:** The honey in Madagascar is quite advanced in terms of the number of beekeepers utilizing modern techniques in order to offer raw product.  Yet, there are many local producers still utilizing the traditional log hive, thus affecting the quality of the product. Using log hives does not give the ability to separate the honey from the brood resulting in the need to pasteurize the honey.  Furthermore, most log hives tend to be dirty and not conducive to producing raw honey. However with modern beehive technology and food safety system, Madagascar has the potential to supplier high end specialty single floral honey to the international market

### Building Capacity implement FDA Food Safety Modernization Act requirements

The processed and specialty foods sector requires a different approach; one which recognizes the complexity of the U.S. market. The FDA requires all products imported into the U.S. to adhere to strict processing guidelines as products manufactured in the U.S. This means that the AGOA export eligible companies must comply with the same level of USA public health protection required from USA based food processing enterprises. The regulations are in place to ensure that food supply is not adulterated and is not misbranded with respect to allergen labelling.  Furthermore, all processors are required to implement a Hazard Analyses and Critical Control Points (HACCP) throughout their facility.  Although somewhat standard in many U.S. facilities, these requirements will certainly be a challenge for smaller food processors in AGOA export eligible countries.

Consequently there is a need to emphasize implementation of food safety plan in all value-added food processing for both international and domestic markets (formal and informal). In addition walking existing Small and Medium Sized Enterprises (SMEs) through the process of food safety implementation, product, and market and business development. Based on the priority value chains, the ongoing work by other project in Madagascar and input from Madagascar based institution, a list of SMEs and food safety professional have been identified for consideration to participate in the COMESA Preventive Control for Animals and Plant training and technical support FDA-FSMA Foreign Supplier Verification Programs (FSVP). Table 3 and 4 below summaries the selected SME and National Food Safety Agencies recommended for capacity building programme

Table 3 list of SME recommended for FSMA Capacity Building in Madagascar.

|  |  |  |  |
| --- | --- | --- | --- |
| **N°** | **SME** | **product**  | **Email**  |
| 1 | T’TELO | honey | christian.rajaosafara@sigma.mg |
| 2 | SCIM  | vanilla, cocoa | transit.diego@scim.mg scimabj@gmail.com |
| 3 | Ma VanillaS | vanilla, cocoa | info@madagascarvanillas-mg.com |
| 4 | SONETRAD | vanilla, clove | dama.jeanluc@gmail.com |
| 5 | Authentic Products of Madagascar | vanilla | arnaud.garidelli@hotmail.com  |
| 6 | AMERICAN Madagascar Chocolate (AMCHO) | Chocolate, vanilla | nate@madecasse.com /ndrina.amcho@groupe-smtp.com |
| 7 | RAMEX | vanilla | vanilla@ramex.mg /certification@ramex.mg  |
| 8 | AFH | vanilla | contact@afh-trading.com  |
| 9 | SOPRAL | green pepper | sopral@moov.mg/sopralqualite@moov.mg  |
| 10 | FLORIBIS | vanilla | dga@floribis-mg.com/ quality@floribis-mg.com |
| 11 | MUST Rasseta | vanilla | irsouchaud@gmail.com/ysouchaud1@gmail.com |
| 12 | Velosony Export | clove | velosonyexport@yahoo.fr |
| 13 | SOARARY | vanilla | georges.randriamiharisoa@soarary.com/tinandonandro@yahoo.fr |
| 14 | VELO ALEXIS | vanilla | tahina.veloalexis@outlook.com |
| 15 | Biovanilla | vanilla | eric@biovanilla.fr /hasina@biovanilla.fr |
| 16 | PROMABIO | vanilla | eric.promabio@gmail.com |
| 17 | SYMRISE | vanilla | tovonombana.rakotoarisoa@symrise.com tovonambana.rakotoarisoa@gmail.com |
| 18 | SAHANALA | vanilla | landy.nirina@sahanala.net  |
| 19 | PHAEL Flor Export | vanilla, clove | heriniaina@phaelflor.com/ qualite@phaelflor.com  |
| 20 | AGRITRADE | vanilla | rouvahl@yahoo.fr/ scrimad.stc@scrimad.mg |
| 21 | Rabemiarintsoa Joachim | vanilla | christy.rjoachim@gmail.com |
| 22 | JACARANDAS | clove, pepper | mima.chateauneuf2@gmail.com/ narda.jacarandas@gmail.com |
| 23 | LAFAZA Trading Company | vanilla, clove | manuel@lafaza.com/ zakarias@lafaza.com  |
| 24 | MADAGASCAR Consulting | vanilla, chili | danny@madagascarconsulting.com  |
| 25 | Vanilla DSH | vanilla | atero.eto@gmail.com  |

Table 4 Agencies recommended for capacity building programme

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Competent Authority** | **Locality**  | **Email**  |
| 1 | National Plant Protection Organisation |  |  |
| * Central Inspection Service (Food Safety)
 | Antananarivo | lyhosa@gmail.com  |
| * Regional Inspection Service(Food Safety)
 | Sambava |
| * Regional Inspection Service(Food Safety)
 | Toamasina  |
| * Regional Inspection Service(Food Safety)
 | Antsiranana |
| * Regional Inspection Service(Food Safety)
 | Farafangana |
| 2 | Bureau de Normes de Madagascar | Antananarivo | bnm@mcc.gov.mg  |
| 3 | The Directorate of Veterinary Services | Antananarivo | Chief of Public Health ServiceE-mail: harimananamahery@yahoo.frTel: 261-34-05-851-49 |
| 4 | Halieutic Sanitary Authority | Antananarivo | Chief of Service in charge of Registration, Inspection and Certificatioemail: ca@ash.mg / radimbimalala.jeanne@ash.mTel: +261-34-05-800-30 |

## Kenya

According to Africa Development Bank Kenyan real GDP grew an estimated 5.9% in 2018, from 4.9% in 2017. The Bank projects that Kenyan economy will grow by 6.0% in 2019 and 6.1% in 2020. In 2017 Kenya exported Kenya exported US$5.7 billion worth of products. This reflected dollar amount increase of 3.8% since 2013 and a 0.9% gain from 2016 to 2017.

At continental level, 33.7% of Kenyan exports were shipped to fellow African countries while 28.4% to European importers, another 23.7% were exported to Asia with 8.9% arriving in North America. However Kenyan has been losing market share in Africa despite the country being a member of the six-nation East African Community (EAC) and 19-member Common Market for Eastern and Southern Africa (COMESA). This is due to import substitution in leading destination of Kenyan products like Uganda and Tanzania, and dwindling industrial competitiveness due to high cost of doing business. Top 10 Kenyan trading partners as if June 2018 are listed below in table 5.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Rank** | **Country (Exports To)** | **Trade Value (000))** | **Share (%)** | **Growth (% 5yr)** |
| 1 | United Kingdom | 534,675 | 13.06 | 89.56 |
| 2 | Uganda | 486,097 | 11.88 | 3.33 |
| 3 | Netherlands | 372,840 | 9.11 | 67.24 |
| 4 | Tanzania | 322,175 | 7.87 | 50.81 |
| 5 | United States | 275,607 | 6.73 | 471.43 |
| 6 | Egypt | 221,289 | 5.41 | 162.76 |
| 7 | Pakistan | 199,315 | 4.87 | 38.01 |
| 8 | Somalia | 150,395 | 3.67 | 272.05 |
| 9 | Sudan | 119,429 | 2.92 | 120.69 |
| 10 | Congo (Kinshasa) | 103,306 | 2.52 | 428,325.89 |

Table 5 Top 10 importers of Kenya goods as of June 2018 (value in 4,093 millions

Source: <http://countries.bridgat.com>

### Kenya’s Overall Exports

At product grouping level the following export product/product groups registered the highest dollar value in Kenyan global exports in 2017. The list shows that Kenyan most valuable export was back tea, other products were fresh or dried flowers for bouquets or ornamental purposes, refined petroleum oils, coffee, titanium ores and concentrates then medication mixes in dosage. The details list is below

1. Coffee, tea, spices: US$1.7 billion (29% of total exports)
2. Live trees, plants, cut flowers: $595.6 million (10.4%)
3. Mineral fuels including oil: $353.7 million (6.2%)
4. Vegetables: $209.2 million (3.6%)
5. Clothing, accessories (not knit or crochet): $190.3 million (3.3%)
6. Fruits, nuts: $180.7 million (3.1%)
7. Ores, slag, ash: $177.3 million (3.1%)
8. Tobacco, manufactured substitutes: $134.2 million (2.3%)
9. Plastics, plastic articles: $129.5 million (2.3%)
10. Pharmaceuticals: $124.2 million (2.2%)

The top 10 exports in 2018 accounted for 65.5% of total exports earrings. The fastest growing export is Ores, slag which grew by 24.7% from 2016 to 2017. The growth was propelled in large part by improving international sales of titanium ores and concentrates. The second place for improving export sales was fruits and nuts which was up 20.6% year over year. There was boosted by the US demand for Macadamia nuts. Coffee, tea and spices posted the third-fastest appreciation through a 14.7% gain. The table below show list of top 10 products exported by Kenya as of June 2018.

Table 6 To 10 Kenya Export as of June 2018

|  |  |  |
| --- | --- | --- |
| **Product** | **Trade Value (thousands)** | **Share (%)** |
| 1 | Cut Flowers & Buds | 417,119 |
| 2 | Tea | 401,470 |
| 3 | Leguminous Vegetables | 197,756 |
| 4 | Coffee | 157,218 |
| 5 | Non Crude Oil | 141,208 |
| 6 | Non-Knit Womens & Girls Suits | 135,292 |
| 7 | Non-Knit Mens & Boys Suits | 63,901 |
| 8 | Glazed Ceramic Flags & Paving | 59,127 |
| 9 | Fish Fillets | 56,490 |
| 10 | Prepared Fruit | 52,658 |
| 11 | Iron & Steel > 600 mm Wide - Clad | 46,343 |
| 12 | Cement | 43,637 |
| 13 | Live Plants | 41,558 |

Source: Source: <http://countries.bridgat.com>

### Analysis of Kenya’s Export to US

In 2017 Kenya was the United States' 86th largest supplier of goods. The U.S. imported a total of goods US $572 million worth of goods in 2017. This was an increase of 3.6% from 2016, and up 75.8% from 2007. The top import categories (2-digit HS) in 2017 were: woven apparel ($206 million), knit apparel ($132 million), coffee, tea & spice ($69 million), edible fruit & nuts ($60 million), and titanium ($30 million). The U.S. total imports of agricultural products from Kenya was valued at US $165 million in 2017. In this category tree nuts led by $61 million) followed by coffee unroasted at $58 million, tea, including herbs at $28 million, planting materials ( nursery products) at $5 million, and other vegetable oils US$4 million. Table 7 below summarizes Kenyan

Table 7: Kenya’s Exports of Ten Major Products to U.S. by 5-Digit End Use Code 2007 to 2016 (US$ Million)

| **Product 5-digit end use** | **HTS** | **2012** | **2013** | **2014** | **2015** | **2016** |
| --- | --- | --- | --- | --- | --- | --- |
| Green Coffee | 09011 | 47.5 | 32.5 | 43.6 | 43.7 | 38.4 |
| Fruits, Frozen Juices | 00120 | 0.6 | 1.5 | 2.1 | 11.9 | 5.5 |
| Nuts | 00140 | 33.2 | 29.9 | 40.1 | 47.7 | 42.6 |
| Teas, Spices | 00170 | 15.7 | 17.0 | 19.6 | 20.5 | 26.6 |
| Fish and Shellfish | 01000 | 0.3 | 0.4 | 0.4 | 0.4 | 0.2 |
| Tobacco and Waxes | 12070 | 4.2 | 2.2 | 3.9 | 6.8 | 8.7 |
| Apparel, Household Goods – Cotton | 40000 | 165.3 | 144.4 | 167 | 162.7 | 162.2 |
| Apparel, Household Goods – Non wool or cotton | 40020 | 84 | 153 | 200.7 | 195.4 | 166.7 |
| Gemstones, Other | 42110 | 1.6 | 2.1 | 3 | 2.5 | 2,.7 |
| Artwork, Antiques, Stamps | 41320 | 1.1 | 1.4 | .8 | 2.5 | 1.5 |

Source: https://[www.census](http://www.census).Gov>5-digit end-use imports – Kenya Foreign Trade – U.S. Trade with Kenya. Retrieved 8th April, 2017

From the above table Kenya’s exports to the U.S. has registered tremendous growth since 2012. It grew from US$389.5 million in 2012 to US$551.5 million in 2016. The AGOA/GSP exports grew from US$293 million to US$393 million during the same period. The Kenya National AGOA strategy 2018-2022 prioritized the following sectors: apparel, home décor and personal accessories, processed and specialty foods, flowers, coffee, tea, and fresh fruits and vegetables. Exports in the seven sectors identified in this Strategy increased in value and continue showing growth potential. Exports of tea, coffee, fresh produce and processed/specialty foods grew above the average. Nevertheless, Kenya’s share of the U.S. import market ranges from less than 1% to 6.8% of all U.S. imports. On the food products Macadamia nuts registered the highest increase in export earing as shown in table 8 below.

Table 8. U.S. Imports of Processed and Specialty Foods from Kenya (US$ ‘000)

| **HTS Number** | **2012** | **2013** | **2014** | **2015** | **2016** |
| --- | --- | --- | --- | --- | --- |
| 0801: Cashew nuts | 1,917 | 2,571 | 1,067 | 1,702 | 2,911 |
| 0802: Macadamia nuts | 31,112 | 26,366 | 37,465 | 43,149 | 38,600 |
| 1515: Fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified  | 562 | 576 | 1,446 | 3,245 | 4,228 |
| 1513: Coconut (copra), palm kernel or babassu oil and their fractions, whether or not refined, but not chemically modified  | 154 | 0 | 82 | 935 | 746 |
| 3203: Coloring matter of vegetable or animal origin and preparations based thereon  | 0 | 635 | 835 | 780 | 696 |
| 1521: Vegetable waxes (other than triglycerides), beeswax, other insect waxes and spermaceti, whether or not refined or colored  | 568 | 588 | 516 | 929 | 664 |
| 1102: Cereal flours other than of wheat or meslin | 20 | 199 | 352 | 346 | 345 |
| 1108: Starches; inulin  | 0 | 0 | 0 | 0 | 80 |
| 0910: Ginger, saffron, tumeric (curcuma), thyme, bay leaves, curry and other spices  | 15 | 22 | 14 | 9 | 21 |
| 2103: Sauces and preparations; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard  | 22 | 11 | 70 | 83 | 20 |
| 1517: Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions  | 0 | 11 | 5 | 7 | 10 |
| 2106: Food preparations n.e.s.o.i | 4 | 4 | 0 | 72 | 8 |
| 0904: Pepper of the genus piper; fruits of the genus capsicum (peppers) or of the genus pimenta, dried, crushed or ground  | 0 | 0 | 0 | 5 | 2 |
| 2102: Yeasts; other single-cell micro-organisms, dead (other than medicinal vaccines of heading 3002); prepared baking powders  | 4 | 0 | 0 | 0 | 0 |
| 0409: Honey, natural  | 188 | 15 | 0 | 0 | 0 |
| 0906: Cinnamon and cinnamon-tree flowers | 15 | 0 | 0 | 0 | 0 |
| **TOTAL** | **34,581** | **30,998** | **41,852** | **51,262** | **48,331** |

Source: US-ITC

**Nuts-**The above table indicates a strong growth in nuts exports to US. This reflects a continuing American consumer trend toward increased nut consumption. With better production and processing practices Kenya can increase its nuts market share in US.

**Tea and Coffee**: Based on the trade analysis conducted, coffee is a declining market in the United States, with consumer preferences shifting toward tea. Kenya is placed well to excel in both categories, possessing the proper ecological environment for both products. Both sectors are well established in Kenya, but tea seems to hold more medium-term promise, with the United States the third largest tea importer in the world.[[2]](#footnote-2) Recent growth has been particularly strong in green tea, single-serve pod tea, and loose-leaf tea.[[3]](#footnote-3)

**Spices and Herbs**-While a very small component of African exports, spices and herbs may be an interesting export opportunity for Kenya. Other developing regions focused on agricultural production, such as the West Bank, have reaped dividends from their focus on this sector, and Kenya may be a good candidate to do the same.

**Honey and Dried Fruits;** - Dried fruits and honey are emerging value chain that can take advantage. It modern bee keeping methods are deployed Kenya has some of the best mono-floral honey that can be branded. Kenyan also produce mango and pineapple with great floor profiles that is good for the dried fruit market. This goes well with the nuts especially if Kenya decided to do value addition through roasting and packing for private label and food service segments of United States market.

### Kenyan Food Exports

Agriculture is key to Kenya’s economic development as evidenced by its 26% direct contribution to the GDP and its 65% contribution to total national exports. In view of its strategic significance, the Kenya Integrated National Export Strategy launched in 2018 singed out this sector as one of the main drivers of the country’s national export growth agenda. The following industries/subsectors were identified for purposes of developing and promoting agricultural exports: Coffee - value added and specialty; Tea - value added and specialty; Horticulture (Cut Flowers, Fruits (mangoes, avocadoes, passion fruit); Nuts - Macadamia and Cashew Nuts; Vegetables (Cabbages, carrots, assorted vegetables, French beans and snow peas); Herbs (rosemary, dill, marjoram, basil, mint, parsley, coriander, curry leaves & celery and Spices (chilies thin, long, bullet & birds eye); Pulses (dry beans, kidney beans, white pea beans, green grams, cow peas, lentils and pigeon peas); Khat-Miraa; Sisal fibre and sisal fibre products; Pyrethrum Extract; and, Gum Arabic.

In 2017 coffee, tea, spices topped Kenya food exports at US$1.7 billion which was 29% of total exports, this was followed by vegetables which earned Kenya a total of US $209.2 million, 3.6% of total exports while fruits and nuts earned Kenya US$180.7 million, which was 3.1% of total good exported.

### Priority Value Chains/Products

The priority value chains for consideration by the COMESA technical support has been arrived at based on the analysis of the Kenya National AGOA strategy 2018-2023 and the over Kenya export performance. It is critical to know the target customer when approaching the U.S. processed food and specialty food market. This is because when presenting a new product to a US buyer, whether from a distribution company or retail organization, the only question that they wants answered is “where is this product going to go”. Thus successful manufacturers and exporters have learnt to provider this answer. Packaging is also key in this industry; African and Kenyan exporters should consider the natural and organic market channels as some of the most rapidly expanding segments of the U.S. specialty food industry. Below are products/value chains that have been recommended for consideration for COMESA food safety technical support.

**Specialty coffee** –Kenya coffee is considered a specialty in the world market. However the country need to enhance production and process competitiveness to increase market share. The market for high-quality coffee worldwide grew rapidly from about 1993 to 2008, but the growth since then has been much slower. In the case of coffee, exporters can attract price premiums by adding credence attributes such as organic, fair trade, bird-friendly or shade-grown certifications.

**Dried tropical fruit Snacks:** Dried tropical fruit snacks have increased in popularity because they are palatable, nutritious, reasonably priced and in tune with the trend toward healthy eating. The market is receptive to packages of a single kind of fruit, two or more fruits, and fruits with nuts and sometimes chocolate chips. Prices are higher for products that are organic and/or sun dried.

**Fruit Concentrates:** Fruit juice concentrates are mainly an industrial product, sold to firms that produce bottled juices, ice cream and numerous other products, but they can also be marketed as specialty food. Juice concentrates are sold in some supermarkets, frozen and bottled. Kenya has some of the modern concentrate facilities in the region. It produces mainly Mango, Pineapple and Passion Juices.

**Hot Sauces:** Sales in the U.S. grew about 150% from 2000 to 2013. Tabasco, made in the U.S., is a top seller, as is Cholula from Mexico. There is also rapid growth in sales of Asian sauces including Sriracha sauce and Gochujang sauce. Sriracha sauce originated in Thailand but the name is generic and most of the sauce in the U.S. market is made by the Eastland Corporation in California. Gochujang sauce is imported from Korea. The products in this category should either offer uniqueness or target the Eastern Africa in diaspora with Nyama choma Sauce.

**Tropical Fruit Marmalade;** Despite their seemingly tough market conditions, there are several ways to differentiate tropical fruit marmalade and capture a share of the market. Many packaging options and recipes of gourmet marmalades are available that can support high shipping costs. With this product, the appearance is probably more important than the quality, consistency or flavor.

**Processed and Packaged Tea:** Selling packaged tea can be challenging because of the high market concentration. Lipton, Tetley, Twining, Red Rose and a few other brands dominate with traditional types of tea. Kenya ca has excellent black tea but, to make it a true specialty product, exporters will have to invest in packaging, branding and promotion. South Africa has done well with rooibos herbal tea, much of which is sold in the natural food trade.

**Spices:** There is a steady demand for spices but it is hard to break into the market with a new branded product. This is because the big players like Schilling and McCormick have a large market share and smaller brands like David and Badia have much of the ethnic market. The most likely distribution channels may be through African stores or through online merchants such as MyBrands.com , amazon.

**Macadamia nuts;** Macadamia nuts are produced in the U.S., mainly in Hawaii, but domestic production is insufficient for the country’s demand. For macadamia nuts, like other nut products, demand is increasing gradually because of publicity about their benefits to health. The bulk of sales is to industrial buyers who package for sale to consumers under a variety of brand names can help Kenya increase earnings from its exports to US. Kenya is the third largest producer of Macadamia. Table 9 below compare duty advantage in US market for the above products have

Table 9: Comparative Duty Rates (AGOA vs. General) of some selected Specialty Food Products

| **Product** **Category** | **Product Description** | **HTS Code** | **AGOA Eligible (Duty Free)** | **General (if not AGOA or other special category)** |
| --- | --- | --- | --- | --- |
| Mango Puree | Guava and mango pastes and purees, being cooked preparations | 20079950 | Yes | 1.3% |
| Macadamia | Macadamia nuts, in shell | 08026100 | Yes | 5 cents/Kg  |
| Macadamia | Macadamia nuts, shelled | 08026200 | Yes | 5 cents/Kg  |
| Cashew | Nuts,fresh or dried, in shell | 08029082 | Yes | 5 cents/Kg  |
| Cashew | Nuts, fresh or dried, shelled | 08029098 | Yes | 5 cents/Kg  |
| Hot Sauces | Mixtures of mashed or macerated hot red peppers and salt | 0904.22.73  | No | Free |
| Pineapples  | Pineapple juice, of a Brix value exceeding 20, concentrated (in degree of concentration greater than 3.5) | 20094940 | Yes | 1¢/litre |

***Source:*** [***https://agoa.info/about-agoa/products.html***](https://agoa.info/about-agoa/products.html)***;*** [***https://hts.usitc.gov/***](https://hts.usitc.gov/)

Table 9 presents the comparative rates of duty between AGOA and general US imports of processed and specialty foods. In-shell macadamia have a duty rate of 1.3 cents per kg (US$13 per MT) and are not eligible for tariff preferences under AGOA. Imports of kernels have a duty rate of 5 cents per kilogram (US$50 per MT) and are eligible for duty free tax preferences under “Code D3” of AGOA. In all the products enlisted, Kenya can still be competitive since the ones that are not AGOA eligible such as hot sauces do not attract duty either.

### Building Capacity Implement FDA Food Safety Modernization Act requirements

The processed and specialty foods sector requires a different approach; one which recognizes the complexity of the U.S. market. The FDA requires all products imported into the U.S. to adhere to strict processing guidelines as products manufactured in the U.S. This means that the AGOA export eligible companies must comply with the same level of USA public health protection required from USA based food processing enterprises. The regulations are in place to ensure that food supply is not adulterated and is not misbranded with respect to allergen labelling.  Furthermore, all processors are required to implement a Hazard Analyses and Critical Control Points (HACCP) throughout their facility.  Although somewhat standard in many U.S. facilities, these requirements will certainly be a challenge for smaller food processors in AGOA export eligible countries.

Consequently there is a need to emphasize implementation of food safety plan in all value-added food processing for both international and domestic markets (formal and informal). In addition walking existing Small and Medium Sized Enterprises (SMEs) through the process of food safety implementation, product, and market and business development. Based on the priority value chains, the ongoing work by other project in Kenya and input from Kenya based institution, a list of SMEs and food safety professional have been identified for consideration to participate in the COMESA Preventive Control for Animals and Plant training and technical support FDA-FSMA Foreign Supplier Verification Programs (FSVP). Table 10 and 11 below summaries the selected SME and National Food Safety Agencies recommended for capacity building programme

###

Table 10 List of Kenyan SME Recommended for the COMESA Food Safety Technical Support

|  | **Company** | **Product**  | **Contact person**  | **Location**  | **E-mail** |
| --- | --- | --- | --- | --- | --- |
|  | Macnuts Int | None roasted macadamia nuts. | Jama M Ali | Athi River  | jamagutan@hotmail.com |
|  | Premier Food | Juices, sauces  | S. Dharmarajan | Nairobi  | pfil@peptang.com |
|  | Kenya Nut | Cashew and Macadamia nuts  | Wangui Kaibere | Thika | wangui.kaibere@kenyanut.com |
|  | Kevian | Fruit Purees (Mango, Pineapple and Passion) and Juices  | Richard Rugendo | Thika | info@keviankenya.com |
|  | Farm Gate | Cashew nuts, Macadamia nut  | Hussein Exmail | Mombasa  | he@farmgate.co.ke |
|  | Wonder Nut | Macadamia nuts  | Bobby Thomas | Nairobi  | info@wondernut.com |
|  | Milly Fruit | Fruit Puree (Mango, Pineapple and Passion) Single strength and concentrate) | Azeem Rashid | Mombasa  | asr@millygroup.com |
|  | Impra Tea | Bulk tea for export  | William Otemba |  | trading@impratea.co.ke |
|  | Honey Care | Honey  | Eric Niccolson | Nairobi  | eric.gichinga@honeycareafrica.com |
|  | Gokal Beverages | Bulk tea  | Haggai Onyango | Mombasa  | stocks@gokalbeverages.com |
|  | Malindi Natural Juice | Fruit puree  | Abubakar Dahman | Malindi  | dahman@malindijuices.co.ke |
|  | Kentaste | Cocoanut based snacks  | Kyle Denning | Malindi  | kyle@kentaste.com |
|  | Vegpro | Fresh produce  | Suhas More | Nairobi  | smore@vegpro-group.com  |
|  | East African Growers Ltd | Fresh produce | Moses Ndirangu | Nairobi  | moses@eaga.co.ke  |
|  | Miyonga Fresh Produce | Fresh produce | Yvone Otieno | Nairobi  | yvonne@miyongafreshgreens.co.ke  |
|  | Interveg | Fresh produce | Purity Naisho |  | Purity.naisho@interveg.co.ke |
|  | Avenue Fresh Produce EPZ Ltd, | Assorted fruits & vegetables | Charles Muchiri | Nairobi  | avenue@avenue.co.ke  info@avenuefresh.co.ke |
|  | Belat EPZ Ltd | Fruit juices and wine | Elton Njue Njeru | Athi River  |  |
|  | Earth Oil Kenya PTY (EPZ) Ltd | Natural products derived from Plant extracts | Leopold Kerama | Nairobi  | info@earthoil.com |
|  | Exotic EPZ Ltd | Processed macadamia Nuts | Abdi Abdirahman Gulled Omar | Nairobi  | abdi@exotic.co.ke / hassan@exotic.co.ke  |
|  | Fairoils EPZ Ltd | Organic vegetable seed oils and organic steam distilled oils. | GM. David Njeru | Athi River  | david.njeru@fairoils.com |
|  | Gold Crown Foods EPZ Ltd.MD | Tea Blending and packaging  | Fahim Ahmed   | Mombasa  | goldcrown@africaonline.co.ke globalte@africaonline.co.ke |
|  | Jungle Cashshews EPZ Ltd | Manufacturing - Cashewnuts | Hellen Wainaina | Thika  | patrick@junglenuts.co.ke  |
|  | Meru Green Horticulture EPZ Ltd | Manufacturing- Processing and canning Vegetables into pre- packs | Gerald Muthomi | Meru  | merugreen@iconnect.co.ke |
|  | Olivado EPZ Ltd.  | Manufacturing – Avocado fruits oil and macadamia nut oils | Gary Hannam | Sagana  | okl@olivado.com  |

Table 11 List of regulatory authorities recommended COMESA food safety Technical Assistance

|  |  |  |
| --- | --- | --- |
| **Institution** | **E-mail**  | **Phone**  |
|   |    |   |
| Agriculture Food Authority  | infoinfo@afa.go.ke afa.go.ke |   |
| Kenya Association of Manufacturers  |  info@kam.co.ke  |   |
| Kenya Bureau of Standards (KEBS)  | masibom@kebs.org  | 254 715 692 922 |
| Kenya Plant Health Inspections Services  |  director@kephis.org  |   |
| Ministry of Health  | sikolobrendah@gmail.com  | 254 711 359009 |
|  |  |  |

## Uganda

The African Development Bank’s 2019 economic out report projects the Uganda economy to grow at 5.5% in 2019 and 5.7% in 2020. In 2018 the real GDP growth was at 5.3% up from 5.0% in 2017. Key sectors that contributed to this included industry at 9.7% and services at 8.2%, while agriculture showed slower growth of 4.5%. However agriculture remains a strategic opportunity for spearheading the government’s development objectives. Uganda located at a strategic place where it can access Central and East African markets. At regional level Top 10 Ugandan export destination as of June 2018 are listed below in table 12.

#### Table 12 Top 10 Ugandan 2017 Export Countries

| **Ranking**  | **Country** | **Export USD$** |
| --- | --- | --- |
| 1 | Kenya | $552,001,020 |
| 2 | United Arab Emirates | $444,897,784 |
| 3 | South Sudan | $299,882,627 |
| 4 | Democratic Republic of the Congo | $189,605,747 |
| 5 | Rwanda | $181,635,912 |
| 6 | Italy | $141,578,879 |
| 7 | Belgium | $110,902,971 |
| 8 | Netherlands | $109,275,804 |
| 9 | Germany | $88,085,837 |
| 10 | Sudan | $78,376,878 |

Source <https://globaledge.msu.edu/countries/uganda/tradestats>

### Uganda’s Overall Exports

In 2017 Uganda exports to the world was worth US$2.9 billion. This reflected a 20.5% increase since 2013 and a 16.9% gain from 2016 to 2017. A bout 40% of Ugandan exports by value were delivered to African countries (mainly the COMESA countries) and 25% was sold to Asian importers. Another 20% worth of goods were shipped to Europe, with the bulk of the remainder exported to Middle Eastern nations well ahead of North America at 2.8%. The main exports with the highest dollar value in global shipments in 2017 are as shown below. The products have been analyzed at four-digit Harmonized Tariff System code level. At this level the most valuable Ugandan export products are coffee trailed by gold, refined petroleum oils, fish fillets and pieces, sugar, corn then tea.

1. Coffee, tea, spices: US$651.5 million (22.5% of total exports)
2. Gems, precious metals: $418.5 million (14.4%)
3. Mineral fuels including oil: $186.9 million (6.4%)
4. Cereals: $183.1 million (6.3%)
5. Fish: $136.2 million (4.7%)
6. Vegetables: $110.4 million (3.8%)
7. Sugar, sugar confectionery: $91.7 million (3.2%)
8. Dairy, eggs, honey: $79.9 million (2.8%)
9. Food industry waste, animal fodder: $79.7 million (2.7%)
10. Animal/vegetable fats, oils, waxes: $70.2 million (2.4%)

These top 10 exports accounted for over 69.2% of the overall value of Ugandan global shipments. The fastest-growing exports were food industry waste and animal fodder categories which was up by 94.9% from 2016 to 2017. In the second place was vegetables which was up by 52.7% led by dried leguminous vegetables, followed by coffee, tea and spices that posted a gain in value up by 44.6% thanks mainly to improved international sales of coffee and, to a lesser degree, vanilla then tea. Table 11 below list the top 10 products exported in 2017;

Table13. 10-Uganda Top 10 Export products 2017

| **HS Code** | **Export USD$** |
| --- | --- |
| (09) Coffee , Tea & Spices | $651,655,366 |
| (71) Precious Stones & Metals | $418,470,676 |
| (27) Oil & Mineral Fuels | $186,864,488 |
| (10) Cereals | $183,058,709 |
| (03) Seafood | $136,204,295 |
| (07) Vegetables | $110,426,770 |
| (17) Sugar & Confectionery | $91,710,531 |
| (04) Dairy Products | $79,870,825 |
| (23) Animal Feeds | $79,718,633 |
| (15) Fats & Oils | $70,211,751 |

Source <https://globaledge.msu.edu/countries/uganda/tradestats>

### Uganda Food Exports

According to PwCs Ugandan Economic Outlook 2018[[4]](#footnote-4) , value added in the agriculture sector grew by 9.0% in 2016/17 financial. This was mainly due to an increase in food crop growing activities that grew at 11.0% due to more than normal rainfall and the generally favourable weather conditions. On the export side the Country exported mostly agricultural products which contribute about 80 per cent of total exports. The main food products included coffee which is the leading export in the market, fish and products, maize tea and cocoa beans, other livestock/dairy, Sesame and beans. In 2018 coffee was the most important exports at 22 percent of total exports, followed by tea, fish comes at number six. Thus Uganda mainly exports raw and semi processed agricultural commodities.

### Analysis of Uganda’s Export to US

In 2017 Uganda was the United States' 130th supplier of goods[[5]](#footnote-5). The imports from Uganda totalled $79 million. This was an increase of 53.9% from 2016, and up 196.7% from 2007. At 2-digit HS, the top US import categories were: coffee, tea & spice which was valued at $52 million, special other products second at $13 million, , glue & enzymes followed at $6 million, fish and seafood exports were valued at $2 million, and live trees and plants at $993 thousand.

The U.S. imported agricultural products from Uganda totalling to $60 million in 2017. Leading imports categories included: coffee, unroasted ($33 million), spices ($19 million), other dairy products ($6 million), nursery products ($993 thousand), and other vegetable oils ($126 thousand).

### Priority Value Chains/Products

 The Uganda National AGOA strategy 2018-2025 identified products where Uganda has a competitive advantage, namely: casein (a milk nutrient), Arabica coffee, fish fillets, cut flowers (sweetheart roses), home décor and fashion accessories, specialty foods (vanilla, dried fruits), and Shea butter. The final list of food products/sectors includes:

1. Coffee
2. Fish
3. Casein

1. Vanilla
2. Dried Fruits
3. Shea Butter

The AGOA strategy identified the product or sector through an end market analysis which highlighted specific requirements of the U.S. market. However it is important to point out that, while AGOA provides duty-free access for these products (other than coffee which is duty free irrespective of source), each product also features specific buyer requirements, including requirements for quality, quantity, and, frequently, certain standards and/or certifications. Below is a summary discussions of the product (value chain);

**Coffee-**The US is the largest importer and market for coffee in the world. Within the US coffee market specialty coffee sector imports almost 75 million kilos of green, specialty-grade (Arabica). Specialty-grade coffees, which is identified by their high quality, unique taste characteristics, and countries of origin, are roasted by one of 1,400 American roasters and distributed to hundreds of thousands of coffeehouses, supermarkets, restaurants, and specialty stores. About 35 million Americans drink specialty-grade traditional coffee on a daily basis. The East Africa region contributes about 4% to the volume of annual US Arabica imports, the predominant species of specialty-grade coffee. Of this, imports from Uganda account for about .5%. Uganda can increase its specialty coffee exports to US by developing relationships with US importers and strengthening those that currently exist to cultivate greater awareness of its high-quality, specialty-grade coffee.

**Fish:** In 2016 the US imported fish valued at f US$ 17 billion, this made it one of the largest importers of fish. This was spent on all types of edible fish species originating from wild capture and farm sources. Five species (shrimp, lobster, crab, tuna, and salmon) accounted for 61% of total expenditures in the US import market. Most products are imported in the form of fresh and frozen semi processed products or as fresh and frozen fish fillets. The high consumption of fish consumption in US is as a result of American consumers seeking to diversify their protein intake away from beef, pork and poultry. The health benefits of fish combined with better taste and rise of value-added product offerings are the main factors leading to greater fish consumption. As land scarcity and environmental constraints become more acute in the near future, fish consumption is expected to grow against other proteins with mostly aquaculture or farm-raised fish taking the lead over wild-capture fish. On the fish import sector, food safety is a key driver, thus tracing consignments to ensure that product comes from HACCP-certified sources is one of the food safety requirement by US Department of Agriculture (USDA). The USDA administers food quality according to a set of food quality grades (A-D) which are based on a set of specifications where products are tested and graded by internal experts. USDA grades are, in principle, voluntary, but extremely useful in product differentiation and attracting interest from buyers especially if sellers can secure Grade A certification. HACCP is a common dimension to almost all of these standards and are a worthwhile investment for food export strategy. Uganda can possibly improve its US market penetration by cultivating aquaculture production of other species such as carp, catfish, and tilapia where the country already has some existing production capabilities. Uganda has a strong competitive position with Nile Perch, but this species represents a very small market ($2.2 million in 2016) in the US. Moreover, the sustainability of an export strategy based solely on Nile perch is very limited given the vastly diminishing fisheries in Lake Victoria. Uganda should develop a fish export strategy that covers a range of species including wild capture Nile perch. Tilapia and catfish are much more substantial markets in the US and are purchased and consumed across many types of retail and foodservice market segments. Uganda can differentiate itself as a producer of safe, high quality, and sustainable fish producer.

**Casein:** Casein is a unique product. It is a phosphoprotein made from milk. The U.S. market for casein is generally stable and is supplied almost entirely by imports. Casein is used as an input into a variety of products, including ready-to-drink nutritional beverages, sports nutrition powders, protein bars, yogurts, processed cheeses, chocolates and candy, baking goods, coffee creamers, spreads, ice creams, frozen desserts, soups and gravies. One Ugandan company, Amos Dairies is already exporting Casein to U.S.; and is in fact the only exporter of casein to US from sub-Saharan Africa. It has a U.S based subsidiaries of that imports from Uganda and other countries. The market size appears to be about 60,000 tons of casein per year, and the average Customs Value is between $7 and $8 per kilogram. Food grade casein is sold in the food, beverage, supplements and pharmaceutical industries while industrial grade casein is sold in the chemical industry and has a number of other applications. The trend toward healthy eating benefits the market for casein. With respect to prices, the U.S. Department of Agriculture reported rennet casein at about $6,600 per metric ton in November, 2016 and acid casein at about $6,700 per ton. It is also worthwhile noting that, while these are not target products, butter and ghee are by-products of casein and can be sold on the U.S. market (Amos produces small amounts of each); and Amos is not bound for those products by the same exclusive arrangement they have with Erie Foods for casein.

**Vanilla:** The U.S. is the world’s largest market for vanilla beans. About 95% of what is imported are used to produce vanilla extracts. 44% of the extract produces are consumed by the ice cream sector. Other sectors that consume vanilla include cosmetic and pharmaceutical sectors. When prices are in the boom part of the cycle, there are problems such as theft in the fields and shipping of immature beans. Also, buyers spend more time and money developing substitutes to real vanilla. Among the major companies that imports vanilla into US includes; International Flavors and Fragrances, McCormick, and Firmenich. The e vanilla beans are graded by definitions of A, B, and C. The U.S. buyers often prefer Grade B because it gives them most suitable combination of quality and price.

**Dried Fruits:** The demand for dried pineapple, particularly organic has increase in the past 5 years. This is mostly due to the continuously growing trend in the consumption of healthier food choices. The certified organic dried pineapple demand has outstripped supply causing retail prices to shoot up due to a lack of supply in the market place in the recent years. Prices average between $20 and $30 per pound as compared to dried pineapple with additives (sulphur, sugar) which sells for as low as $4 per pound. There are a number of Dried Organic Pineapple brands being sold in the U.S. market, but very few source their product from Africa and less so from Uganda. Dried fruit can be divided into vine fruit, tree fruit or plant fruit such as pineapple. The best-known vine fruit species are raisins, sultanas and currants, whereas apples, apricots, bananas, dates, figs, papayas, peaches, pears and prunes are the most important tree fruits. Plant fruits such as strawberries, blueberries and pineapples are widely consumed both as fresh and dried. Dried fruit are used in consumer or food service packing, mainly consumed as a snack and as an ingredient for breakfast cereals, healthy ready-to-eat snacks and desserts. Uganda is a good position to supply the following dried fruits; pineapples, mango, papaya, coconut and banana. The naturally dried conventional Pineapple and (2) dried Organic Pineapple can give Uganda an advantage in the US market provided the processing companies meets the FDA FSMA requirements. Thus capacity-building is certainly required across the board and implementing HACCP programs for all exporters should be a priority.

**Shea Butter:** Shea butter market is one of the product segment that is rapidly increasing. This is driven by its popularity among African-American communities in the U.S. Originally primarily an economical source of fat, it has become a popular input into chocolate, cosmetics, and natural products. The statistics of Shea butter imports are e difficult to find, however it is estimated that about 700,000 tons of unrefined and refined shea butter and about 300,000 tons of products containing shea butter were imported to the United States in 2016. While historically about 90% of shea butter was used in chocolate, cosmetics represent a rapidly growing market segment. Shea butter is imported to the U.S. in various forms, including refined, unrefined, and as finished goods. The product is duty-free into US market under GSP and AGOA.Uganda has an advantage in this value chain, several farmers and processing plants already exist. One of the exporters Guru Nanak, boasts USDA organic (90%) and BAT organic (100%) certifications and is currently able to produce 300-400 MT/year. The firm produces products including lip balm, shaving cream, and body lotion. The firm currently markets its product through a distributor in New York; although it is anticipated that the firm’s products may also be sold through Amazon.

### Building Capacity Implement FDA Food Safety Modernization Act requirements

The processed and specialty foods sector requires a different approach; one which recognizes the complexity of the U.S. market. The FDA requires all products imported into the U.S. to adhere to strict processing guidelines as products manufactured in the U.S. This means that the AGOA export eligible companies must comply with the same level of USA public health protection required from USA based food processing enterprises. The regulations are in place to ensure that food supply is not adulterated and is not misbranded with respect to allergen labelling.  Furthermore, all processors are required to implement a Hazard Analyses and Critical Control Points (HACCP) throughout their facility.  Although somewhat standard in many U.S. facilities, these requirements will certainly be a challenge for smaller food processors in AGOA export eligible countries.

Consequently there is a need to emphasize implementation of food safety plan in all value-added food processing for both international and domestic markets (formal and informal). In addition walking existing Small and Medium Sized Enterprises (SMEs) through the process of food safety implementation, product, and market and business development. Based on the priority value chains, the ongoing work by other project in Kenya and input from Kenya based institution, a list of SMEs and food safety professional have been identified for consideration to participate in the COMESA Preventive Control for Animals and Plant training and technical support FDA-FSMA Foreign Supplier Verification Programs (FSVP). Table 12 and 13 below summaries the selected SME and National Food Safety Agencies recommended for capacity building programme

Table 14: Selected SME for COMESA Food Safety capacity building programme

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Firm** | **Contact Person** | **Email** | **Telephone** | **Physical Address** |
| 1 | RUCID | Samuel NyanziErisha Ssebadduka | admin@rucid.org;samuel2005nyanzi@yahoo.com  | +256772469003+256772479668 | Mityana  |
| 2 | Amfri | Lilian Anguparu | liliananguparu@yahoo.comamfri@utlonline.co.ug  | +256772909266 | Munyonyo, Kampala  |
| 3 | Sulma Foods | Abdulkarim Farid Karama | abdulkarimfd@yahoo.com  | +256772502350+256790868644 | Kasiso - Luwero |
| 4 | Jakana Foods | Meg Jaquay | jakanafoodsmeg@gmail.com  | +256 414580317  +256 703 551709 | Kawempe |
| 5 | Flona Foods | Isiko | Flona\_95@yahoo.com  | +256772825746; +256772409557 | Kangulumira, Kayunga |
| 6 | Guru Nanak Oil Mills Ltd. | Surjit Singh | mdguruoil@hotmail.com  | +256772704545/6 | Lira, Uganda |
| 7 | Agropma Limited |  | agropmaltd@gmail.com  |  | Uganda / Kampala |
| 8 | CHIAORGANIC | Godfrey Maina | godfrey.maina@gmail.com anne.macharia@gmail.com  |  | Kampala  |
| 9 | Sesaco Uganda Limited | Mr. Nsubuga Charles | sesaco2002@yahoo.com  | +256772409670 +(256) 700 101171 | Kampala  |
| 10 | Lake Bounty Ltd | Mr. Rakesh Shetty | info@lakebounty.com rakesh@lakebounty.com  | +256-414-220678 | Kampala  |
| 11 | Greenfields Uganda Limited  |  |  | +256414321141 | Kampala  |
| 12 | Aloesha Organic Natural Health Products | Ms. Nakasujja Aisha | aloeshaorganic@gmail.com  | +256752940747 +256704741942 | Kampala |
| 13 | Amos Dairies Uganda Limited |  | rugwebe@gmail.com  | +256777666405. | Kiruhura , Uganda |

Table 15: Regulatory Institutions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No** | **Institution**  | **Name**  | **E-mail**  | **Location**  |
| 1 | Uganda Fish Processors and Exporters Association | Mr.Tenywa | mosestenywa@yahoo.co.uk  | Kampala  |
| 2 | Uganda National Bureau of Standards, Certification Department | Kahuma Philip | philip.kahuma@unbs.go.ug  | Kampala  |
| 3 | Ministry of Agriculture, Animal Industry and Fisheries - Department of Crop Inspection and Certification |  | info@agriculture.go.ug  | Kampala  |

## Zambia

The African Development Bank’s 2019 economic out report projects the Zambia GDP to grow at 4.2% in 2019 and 4.3% in 2020. In 2018 the Agricultural production declined due to poor rain distribution but is expected to rebound in 2019. Mining output is also expected to increase by 4%–5% in 2019, benefiting from improvements in electricity generation associated with the replenishment of the Kariba Dam due to good weather condition. In 2017 Zambia’s exported goods and services represented 45.3% of total Zambian economic output. The country earned $3.9 billion by exporting products to Europe. This represented 47.9% of total Zambian goods exports. It also sold 30.5% of its total exports to Asian importers and another 18.8% worth of goods to regional market (fellow African nations). The table below show top 10 Zambian export destination in 2017.

#### Table 16: 2017 Top 10 Zambia destination

| **No**  | **Country** | **Export USD$** |
| --- | --- | --- |
| 1 | Switzerland | $3,633,008,960 |
| 2 | China | $1,329,641,387 |
| 3 | Democratic Republic of the Congo | $544,119,187 |
| 4 | Singapore | $495,191,446 |
| 5 | South Africa | $453,905,624 |
| 6 | United Arab Emirates | $293,709,697 |
| 7 | United Kingdom | $184,561,269 |
| 8 | India | $175,963,454 |
| 9 | Hong Kong | $145,530,734 |
| 10 | Zimbabwe | $133,989,10 |

Source <https://globaledge.msu.edu/countries/zambia/tradestats>

### Zambia Overall Exports

Zambia exported US$8.1 billion worth of goods around the globe in 2017. This was a 26.5% increase from 2016 to 2017 but a -23.3% drop in the value of its exports since 2013. The exports were dominated by copper followed by tobacco, precious stones and corn. About 47.9% of total Zambian exports value was delivered to Europe making Europe the leading importer of Zambian products. Regional Africa exports accounted for only 8.8% of total exports signaling the countries is not taking advantage of the COMES and SADC free trade area. Zambia top 10 exports in 2017 accounted for 89.9% of the overall value of Zambian global shipments. The export product/group with the highest dollar value in during 2017 is listed below. This has been calculated at four-digit Harmonized Tariff System code level.

1. Copper: US$6.1 billion (75.7% of total exports)
2. Inorganic chemicals: $246 million (3%)
3. Salt, Sulphur, stone, cement: $157.4 million (1.9%)
4. Sugar, sugar confectionery: $136.8 million (1.7%)
5. Other base metals: $124.5 million (1.5%)
6. Books, newspapers, pictures: $120.6 million (1.5%)
7. Gems, precious metals: $101.6 million (1.3%)
8. Cereals: $99.4 million (1.2%)
9. Tobacco, manufactured substitutes: $88.6 million (1.1%)
10. Machinery including computers: $79.7 million (1%)

Inorganic chemicals was the fastest-gainer among the top product categories for Zambian exports via a 288.9% gain from 2016 to 2017. The leading decliner were exported cereals which was down -46.9% which was due to a drop in shipped corn. Table 15 below represent a list of top 10 Zambia exports in 2017.

Table 17: Top 10 Zambia Exports products 2017

| **HS Code** | **Export USD$** |
| --- | --- |
| (74) Copper | $6,158,661,280 |
| (28) Inorganic Chemicals | $246,824,312 |
| (25) Natural Minerals & Stone | $157,256,706 |
| (17) Sugar & Confectionery | $137,054,429 |
| (81) Other Base Metals | $124,745,348 |
| (49) Printed Material | $120,880,268 |
| (71) Precious Stones & Metals | $101,858,030 |
| (10) Cereals | $99,716,227 |
| (24) Tobacco | $88,485,478 |
| (84) Industrial Machinery | $79,940,430 |

Source <https://globaledge.msu.edu/countries/zambia/tradestats>

### Zambia Food Exports

According to the World Bank Zambia Economic Brief Issue 11 September 2018, the county’s Agricultural output has contracted in 2018 due to poorly distributed rains and an El Niño is forecast for the 2018-19 season. However Agriculture has a high potential to support effective structural transformation in Zambia. This is due to the vast fertile lands and water, in the country and the ready market in the seven neighboring countries. The increased regional and urban demand for diversified and processed products provides opportunities to support the development of the manufacturing sector, specifically in agro-processing, which can provide employment and government earnings. The World Bank estimates that SSA’s demand for food will increase by 60 percent from the year 2015 to 2030. Thus linking small farmers to local and regional value chains is key. Key food exports are dominated by Sugar, sugar confectionery and cereals. Other food exported includes coffee tea, beverages, oil seeds, resins and vegetable extracts, fruits and nuts. It worth noting that Zambia exports very small amount of processed food due to limited processing capabilities.

### Analysis of Zambia Export to US

In 2017 Zambia was the United States' 135th largest supplier of goods. The value of US goods imports from Zambia totalled $66 million which was up 41.9% from 2016, and 35.4% from 2007. Main imported products at 2-digit HS were: precious metal and stone, other base metals, copper, coffee, tea & spice (coffee) and dairy, eggs, honey. The total agricultural imports from Zambia was US$2 million in 2017.

### Priority Value Chains/Products

 The Zambia AGOA National AGOA strategy 2018-2025 identified agriculture sector (Grains and legumes, Fruits (mainly dried fruits), Vegetables, Tubers (mainly Cassava), Poultry and poultry products, Honey) and processed foods as the one of the sector with the greatest export potential to US under AGOA. The main products to be considered are

However as stated earlier Zambia has great potential to produce, process and exported Agricultural products to regional and international market. This is due to its vast land and water resources. However the commercial farming and food processing sectors are in the early stages of development. Most production is oriented to the domestic market, except processed dairy and confectionary sugar, animal feed and beverages that are expanding in the region with exports of over US$1 million. Other value added products are exported in limited quantities to the region especially DRC. It is worth noting that the domestic market is small for many processed food categories so, there is need for commercial farms and food processors to be export oriented to benefit from economies of scale in order to be profitable. Products currently available in bulk or fresh such as honey, coffee, tubers, mango, pineapple and few other fruits, grains/cereals, dairy, chicken, macadamia, and spices may be value added in several ways for domestic and export markets. Some companies have made great effort towards expanding commercial farming and food processing. This effort has started to yield fruits, in 2015 the country exported valued added food products worth USS$266 million.

Regarding exports to US, Zambia has not well. The Export have been minimal and mostly bulk products such as unpacked honey. In 2017 the U.S. total imported agricultural products from Zambia totalled $2 million. This were mainly coffee, tea, dairy, eggs, and honey products. Bur the trade flow analysis and interviews conducted with selected U.S. buyers during the Zambia AGOA National Strategy Development established that there is a potential market for all selected products if the price is competitive and the product meets the food safety requirements as set in the FDA Food Safety Modernization Act. This issues need to be assessed and addressed directly with the potential exporters on a case by case basis, stating with the capacity building on US food market requirements. Thus the proposed COMESA FSMA training will partially fulfil this need.

### Building Capacity Implement FDA Food Safety Modernization Act requirements

The processed foods sector requires a different approach; one which recognizes the complexity of the U.S. market. The FDA requires all products imported into the U.S. to adhere to strict processing guidelines as products manufactured in the U.S. This means that the AGOA export eligible companies must comply with the same level of USA public health protection required from USA based food processing enterprises. The regulations are in place to ensure that food supply is not adulterated and is not misbranded with respect to allergen labelling.  Furthermore, all processors are required to implement a Hazard Analyses and Critical Control Points (HACCP) throughout their facility.  Although somewhat standard in many U.S. facilities, these requirements will certainly be a challenge for smaller food processors in AGOA export eligible countries.

Consequently there is a need to emphasize implementation of food safety plan in all value-added food processing for both international and domestic markets (formal and informal). In addition walking existing Small and Medium Sized Enterprises (SMEs) through the process of food safety implementation, product, and market and business development. Based on the priority value chains, the ongoing work by other project in Kenya and input from Kenya based institution, a list of SMEs and food safety professional have been identified for consideration to participate in the COMESA Preventive Control for Animals and Plant training and technical support FDA-FSMA Foreign Supplier Verification Programs (FSVP). Table 16 and 17 below summaries the selected SME and National Food Safety Agencies recommended for capacity building programme

Table18: SME recommended for the COMESA FSMA capacity building programme

| **No** | **Company**  | **Contact person**  | **E-mail**  | **Location**  | **Telephone**  |
| --- | --- | --- | --- | --- | --- |
|  | 260 Brands Ltd |  | info@260brands.com  | Lusaka  | +260950968248 |
|  | Amigo Foods Ltd |  | amigo@sobi.co.zm | Lusaka  | +260211221247 |
|  | Authentic Food |  | hotourltd@gmail.comaszltd@gmail.com  | Lusaka  | +254955/967/977 777322 |
|  | Bee Sweet Honey Ltd /Jayright Investments Ltd | Nathan Enright | nate.enright@gmail.com | Copper belt  | +260961690322 |
|  | Chankwakwa Farms | Dorothy Eriksson | dorothy.eriksson@gmail.com chankwakwa@gmail.com chankwa@zamtel.zm  | Kabwe, Zambia | C: +260 97 9530919 | C: +260 97 9530919 |
|  | COMACO | Dale,Lewis | dlewis@itswild.org mrstuhall@gmail.com  | Lusaka  |  |
|  | Forest Fruits Ltd | Daniel Ball, MD | dball@zambezigold.com [www.zambezigold.com](http://www.zambezigold.com)  |  | 260 96 676 5123 260 211 290 406 |
|  | Gold Whip Brands Ltd |  | goldwhipbrands@gmail.com  | Lusaka  | 260-976-398568 |
|  | Java Foods Limited | Monica Musonda Chief Executive | monica.musonda@java-foods.com kalolo.musonda@java-foods.com rachel.chinku@java-foods.com  |  | +260 976128244 +260 950230923+260 976128244  |
|  | Kasisi Agricultural Training Centre (KATC) | Paul Desmarais Director | paul.desmaraissj@gmail.com bridget.oconnor8@gmail.com  |  |   |
|  | Lumuno Organic Farms | Khama Mbewe  | lumunoorganics@gmail.com 12mbeweloyce@gmail.com  |  | +260-966745716+260969531453 |
|  | Meshearles Enterprises Ltd | Solwezi, Zambia | meshearles@gmail.com  | Solwezi | +260-955619907 +260-977619907 |
|  | Neelkanth Fresh Foods Ltd /Freshpikt /Vamara Group |  | freshpikt@freshpikt.biz info@vamara.com  | Lusaka  | +27-11-669 0940 |
|  | Nyama Soya Ltd |  | info@bigtreebrands.com  | Lusaka  | +260-211846307 +260-977514060 |
|  | Rivonia Farm Products Ltd |  | rivonia@zamnet.zm rivoniafarmproducts@gmail.com  | Lusaka  | 26021123 0298 260-211230903 |
|  | Seba Foods (Zambia) Ltd | Ram Ray Vijayvargiya | vj@sebafoods.co.zm gaurav.vj@sebafoods.co.zm seba@sebafoods.co.zm  | Lusaka  | 260 211242380 260 976 759751  |
|  | Sylva Foods Solutions Ltd | Sylvia C. Banda | scbanda@sylvafoods.co.zm  | Lusaka  | 260211257209 260 979707944 |
|  | Varun Food & Beverages (Z) Ltd | Ravi Kant Jaipuria | varun.food@varunzambia.com  | Lusaka  | 260211847102 |
|  | Yatu Foods Limited |  |  | Kalulushi | 260-978541332260976049 810 |
|  | Yalelo Limited | Musa Chinganya | musa@yalelo.com info@yalelo.com sales@yalelo.com  | Lusaka  | 260211246060 260962322428 |
|  | 260 Brands Ltd |  | info@260brands.com  | Lusaka  | 260950968248 |
|  | Amigo Foods Ltd |  | amigo@sobi.co.zm  | Lusaka  | 260211221247260211226274260211241319 |
|  | Authentic Food |  | hotourltd@gmail.com aszltd@gmail.com  | Lusaka  | 2609550967260977 777322 |
|  | Bee Sweet Honey Ltd /Jayright Investments Ltd | Nathan Enright | nate.enright@gmail.com  | Copperbelt, | +260961690322 |
|  | Chankwakwa Farms | Dorothy Eriksson | dorothy.eriksson@gmail.com chankwakwa@gmail.com chankwa@zamtel.zm  | Lusaka  | 260979530919260979530919 |
|  | Forest Fruits Ltd | Daniel Ball, MD | dball@zambezigold.com | Lusaka  | 260966765123 260211290 406 |
|  | Gold Whip Brands Ltd |  | goldwhipbrands@gmail.com | Lusaka  | 260976398568 |
|  | Lumuno Organic Farms | Khama Mbewe | lumunoorganics@gmail.com 12mbeweloyce@gmail.com  | Lusaka  | 260966745716 |
|  | Meshearles Enterprises Ltd |  | meshearles@gmail.com | Solwezi, Zambia | +260955619907+260977619907 |
|  | Rivonia Farm Products Ltd |  | rivonia@zamnet.zm rivoniafarmproducts@gmail.com  |  | 260976862325 260211230903 |
|  | Seba Foods (Zambia) Ltd | Ram Ray Vijayvargiya | vj@sebafoods.co.zm ;gaurav.vj@sebafoods.co.zm seba@sebafoods.co.zm  | Lusaka  |  |
|  | Varun Food & Beverages (Z) Ltd | Ravi Kant Jaipuria | varun.food@varunzambia.com  | Lusaka  | 260211847102 |
|  | Yatu Foods Limited |  |  | Kalulushi | +260978541332+260978541332 |
|  | Yalelo Limited | Musa Chinganya | musa@yalelo.com, info@yalelo.com sales@yalelo.com  | Lusaka  |  |

Table 19: Regulatory Institutions Recommended for FSMA

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No** | **Institution**  | **Name**  | **E-mail**  | **Location**  |
| 1 | Zambia Bureau of Standard  |  | info@zabs.org.zm  | Lusaka  |
| 2 | The Plant Quarantine and Phytosanitary Service (PQPS) |  | +260211 278130 | Chilanga  |
| 3 | Zambia Association of Manufacturers (ZAM) |  | +260211253696 | Lusaka  |
|  | SIS Inspections Services | Charles Chitembo | +260211 225193+260221090 | Lusaka  |

## Rwanda

The African Development Bank’s 2019 economic out report projects the Rwanda economy to grow at 7.8% in 2019 and 8.0% in 2020. This will be supported by export growth resulting from the Made in Rwanda policy. This will be a marginal increase from the 2017 and 2018 real GPD growth which reached 6.1% and 7.2% respectively. There has been strong growth in services (4.1%) and industry (1.5%), particularly manufacturing. Rwanda export earning has registered negative in the past few year. In 2017 the country shipped an estimated US$293.9 million worth of goods around the globe. This reflected a -51.7% decline since 2013 and a -52.7% drop from 2016 to 2017. However it has performed well in regional exports compared to other COMESA countries. That is in 2017, 58.7% of Rwandan exports by value were delivered to fellow regional African countries while 22.1% were sold to importers in Asia. Another 15.5% worth of goods exported to Europe with 3.1% going to North America. Table 20 below shows top 5 Rwandan Export Destination in 2016. The 2017 data is not available.

#### Table 20: 2016 Top 5 Rwanda Export Destination

| Market | Trade (US$ Mil) | Partner Share (%) |
| --- | --- | --- |
| Congo, Dem. Rep. | [198](https://wits.worldbank.org/CountryProfile/en/Country/RWA/StartYear/2013/EndYear/2017/TradeFlow/Export/Indicator/XPRT-TRD-VL/Partner/ZAR/Product/All-Groups)  | [31.82](https://wits.worldbank.org/CountryProfile/en/Country/RWA/StartYear/2013/EndYear/2017/TradeFlow/Export/Partner/ZAR/Indicator/XPRT-PRTNR-SHR) |
| Kenya | [99](https://wits.worldbank.org/CountryProfile/en/Country/RWA/StartYear/2013/EndYear/2017/TradeFlow/Export/Indicator/XPRT-TRD-VL/Partner/KEN/Product/All-Groups)  | [16.00](https://wits.worldbank.org/CountryProfile/en/Country/RWA/StartYear/2013/EndYear/2017/TradeFlow/Export/Partner/KEN/Indicator/XPRT-PRTNR-SHR) |
| United Arab Emirates | [87](https://wits.worldbank.org/CountryProfile/en/Country/RWA/StartYear/2013/EndYear/2017/TradeFlow/Export/Indicator/XPRT-TRD-VL/Partner/ARE/Product/All-Groups)  | [14.00](https://wits.worldbank.org/CountryProfile/en/Country/RWA/StartYear/2013/EndYear/2017/TradeFlow/Export/Partner/ARE/Indicator/XPRT-PRTNR-SHR) |
| Switzerland | [55](https://wits.worldbank.org/CountryProfile/en/Country/RWA/StartYear/2013/EndYear/2017/TradeFlow/Export/Indicator/XPRT-TRD-VL/Partner/CHE/Product/All-Groups)  | [8.83](https://wits.worldbank.org/CountryProfile/en/Country/RWA/StartYear/2013/EndYear/2017/TradeFlow/Export/Partner/CHE/Indicator/XPRT-PRTNR-SHR) |
| Burundi | [36](https://wits.worldbank.org/CountryProfile/en/Country/RWA/StartYear/2013/EndYear/2017/TradeFlow/Export/Indicator/XPRT-TRD-VL/Partner/BDI/Product/All-Groups)  | [5.78](https://wits.worldbank.org/CountryProfile/en/Country/RWA/StartYear/2013/EndYear/2017/TradeFlow/Export/Partner/BDI/Indicator/XPRT-PRTNR-SHR) |

 Source: <https://wits.worldbank.org/CountrySnapshot/en/RWA>

### Rwandan Overall Exports

In 2017 Rwanda shipped an estimated US$293.9 million worth of goods around the globe in 2017. At the 2-digit Harmonized Tariff System (HTS[[6]](#footnote-6)) code level, the below export product groups represented the highest dollar value in Rwandan global shipments. However at 4-digit HTS codes, the country’s most valuable exported products were coffee ($62.3 million), tin ($54.9 million), niobium and zirconium ($49.2 million), tea ($48.6 million) and tungsten ($15.7 million).

1. Ores, slag, ash: US$120.1 million (40.9% of total exports)
2. Coffee, tea, spices: $111 million (37.8%)
3. Raw hides, skins not furskins, leather: $10 million (3.4%)
4. Food industry waste, animal fodder: $7.7 million (2.6%)
5. Vegetables: $3.2 million (1.1%)
6. Iron, steel: $3.1 million (1%)
7. Lead: $2.5 million (0.9%)
8. Live trees, plants, cut flowers: $2.4 million (0.8%)
9. Leather/animal gut articles: $2.2 million (0.8%)
10. Gums, resins, other vegetable saps: $2.2 million (0.7%)

These top 10 exports accounted for 89.9% of the overall value of its global shipments. Gums, resins, other vegetable saps represent the fastest-growing among the top 10 export categories, up by 10,755% from 2013 to 2017 followed by live trees, plants and cut flowers which rose by 1,138%. The third-fastest gain in value via a 38.8% appreciation year over year was ores, slag and ash. The leading decliner among the top 10 Rwandan export categories was vegetables which fell by -17.9% in 2017.

### Rwanda Food Exports

According to the Rwanda National Agriculture Exports Development Board (NAEB), the country’s agricultural exports generated revenue amounting to over $304.6 million from January to September 2017 compared to over $232.65 million earned in the same period in 2016. The main product categories that contributed to this were traditional exports like coffee, tea, and pyrethrum generated which generated over US$108 million compared to US$ 89 million in the same period in 2016. Other food products/commodities exported over period included cereals (mainly grains ), vegetables, fruits, dairy products, eggs, fish , vegetable oil, roots and tubers and flours, pulses (such as beans), Maize flour, Bananas, dried pineapple, French/green beans and chili pepper among the exports. Most of these products were exported to regional market. There is a demand for food in Kenya, South Sudan and DRC Congo which are food deficit countries that can provide Rwandan exporters with ready market provided the food meets the required food safety conditions.

### Rwanda Food Exports

In Rwanda Agriculture in key to the economic development. It accounts for a third of Rwanda’s GDP and employs 73% of the population. Despite the small land holding, the country is able to meet 90% of the national food needs and generates more than 70% of the country’s export revenues.

According to the Rwanda National Agriculture Exports Development Board (NAEB), s the country’s agricultural exports generated revenues amounting to over $304.6 million from January to September 2017 compared to over $232.65 million earned in the same period in 2016. The main product categories that contributed to this were traditional exports like coffee, tea, and pyrethrum generated which generated over US$108 million compared to US$ 89 million in the same period in 2016. Other food exported included over the same period included cereals (grains and flours), vegetables, fruits, dairy products, eggs, fish , vegetable oil, roots and tubers and flours, pulses (such as beans), Maize flour, Bananas, dried pineapple, French or green beans and chili pepper were among the exports. Most of these products were exported to regional market. There is a great demand for food in Kenya, South Sudan and DRC Congo which are food deficit countries. This can provide Rwanda with ready market for food product provided he meet the required food safety conditions.

### Analysis of Rwanda Export to US

In 2017 Rwanda was the United States ' 147th supplier of goods. The country exported goods totalled to US$44 million which was an increase of 71.0% ($18 million) from 2016, and up 244.4% from 2007. At 2-digit HS level the leading export categories were: coffee, tea & spice ($20 million), ores, slag, and ash ($18 million), knit apparel ($1 million), leather products ($1 million), and vegetable saps and extracts ($804 thousand). On agricultural products exports the country earned a total of US$22 million in 2017..The leading exports categories included; coffee, unroasted ($20 million), tea, including herb ($503 thousand), tree nuts ($427 thousand), processed fruit & vegetables ($219 thousand), and essential oils ($10 thousand). There is a great opportunity for Rwanda to increase exports to US, especially in value added processed certified organic agricultural products. However Rwanda effort to increase exports of apparel products suffered a set when its AGOA apparel eligibility was removed in 2018.

### Priority Value Chains/Products

 The Rwanda AGOA National AGOA strategy 2018-2025 identified value added agricultural products as among products with the greatest potential to enhance Rwanda’s exports to US and other international markets. The products/value chains identified are listed below;

1. Banana chips.
2. Bottled honey.
3. Coffee, packaged and roasted.
4. Dried tropical fruit snacks (pineapple, banana, mango).
5. Fruit juice concentrates.
6. Hot sauces.
7. Marmalade/jams/jellies of tropical fruits (pineapple, banana, mango, orange).
8. Tea, processed and packaged.
9. Spices (saffron, ginger, pepper [genus Piper], anise or badian seeds, cinnamon).
10. Macadamia nuts.

Some of the above products are discussed below in details

**Banana Chips**: U.S. imports of plantain and banana chips increased slightly from 2013 to 2014, in volume but decreased in slightly in value. This was due to drop in the average price, at customs value, from $3.79 to $3.38/kg. The largest market segment for banana chips is consumers of Latin American and Caribbean background. The main suppliers of banana chips are the Philippines, Ecuador, Thailand, China and Mexico. The Philippines is the world’s largest supplier and sells them to about 30 countries, especially the USA and the European Union. Table 21, below provides figures for U.S. imports from 2010 through 2014 of dried bananas (HS number 0803900045) in thousands of dollars and thousands of kilograms.

Table 21. U.S. Imports of plantain and banana chips 2010–2014 (thousands of kilograms and thousands of dollars)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **2010** | **2011** | **2012** | **2013** | **2014** |
| **Quantity** | 0 | 0 | 0 | 3,339 | 3,631 |
| **Value** | 0 | 0 | 0 | 12,667 | 12,261 |
| **Avg. customs value per kg** | Not recorded | Not recorded | Not recorded | $3.79 | $3.38 |

Currently Rwanda exports small quantities of Banana chips to East African countries but yet to export to US under AGOA. According to the Rwanda AGOA strategy analysis with right investment in product development, processing machinery and food safety Rwanda can export these products to US. , especially certified organic Banana chips

Photo 1. Display of banana chips in a Whole Foods supermarket



**Bottled Honey:** According to the US National Honey Report published in September, 2015 landed prices of honey at the U.S port of entry ranged from $1.35 to $1.97/lb. This report gives the quantities and values of several kinds of honey, by country of origin. During the same period the average wholesale case price per pound of packaged honey was $5.13 in November 2015, and the average retail price was $6.92/lb**.** between 2010 to 2014, U.S. imports of honey increased by more than 16% per year. The main sources of bulk honey in 2014 were Argentina, Vietnam, Brazil, India and Mexico. Imports of honey packaged for retail sale increased very little. The major suppliers of retail honey were New Zealand, Germany, India, France and Greece. Rwanda is endowed with honey production resources. Thus with investment in modern honey hives, product development and food safety, the country can tap into the US honey market, especially the e-commerce segment.

**Specialty Coffee – Roasted and packaged:** Rwanda is already exporting bulk specialty coffee to US. Its coffee has gained good reputation with US roasters. However to get more value it can move into the roasted coffee segment in partnership with key US roaster to ensure that it meet the US its roasted coffee meets the US consumers flavor profile. The US is the world largest market for specialty coffee. According to Coffee Statistics from E-Imports, average consumption is 3.1 cups per person per day. Multiplying that by 319 million people gives a huge amount that is consumed on a daily basis, and consumption continues to grow. This market is segmented with different characteristics such as organic, flavoured, espresso grind and others. These distinctions are communicated mainly by the package and label. Table 22 provides data on U.S. coffee imports from 2010 through 2014, roasted and not decaffeinated, in containers of 2 kg or less (HS number 0901210045) in thousands of dollars and thousands of kilograms.

Table 22 . U.S. imports of roasted coffee, not decaffeinated, in packages under 2 kg, 2010–2014 (in thousands of kilograms and thousands of dollars)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2010** | **2011** | **2012** | **2013** | **2014** |
| **Quantity** | 0 | 38,769 | 40,256 | 43,062 | 45,196 |
| **Value** | 0 | 284,686 | 285,162 | 284,951 | 487,594 |
| **Ave. customs value per kg** | Not recorded | $7.07 | $6.41 | $6.62 | $10.79 |

Source: Rwanda National AGOA strategy

The top countries supplying roasted coffee in US includes Canada, Italy, Switzerland, Colombia and the Netherlands all except Colombia is not a coffee producing country. In this category, about 77% by value is certified organic.

### Building Capacity Implement FDA Food Safety Modernization Act requirements

In Rwanda the manufacturing sector is still in its nascent stage. Thus the food quality and safety standards are still a work I progress. That is why the processed foods sector for the US market requires a different approach; one which recognizes the complexity of the U.S. market. The FDA requires all products imported into the U.S. to adhere to strict processing guidelines as products manufactured in the U.S. This means that the AGOA export eligible companies must comply with the same level of USA public health protection required from USA based food processing enterprises. The regulations are in place to ensure that food supply is not adulterated and is not misbranded with respect to allergen labelling.  Furthermore, all processors are required to implement a Hazard Analyses and Critical Control Points (HACCP) throughout their facility.  Although somewhat standard in many U.S. facilities, these requirements will certainly be a challenge for smaller food processors in AGOA export eligible countries.

Consequently there is a need to emphasize implementation of food safety plan in all value-added food processing for both international and domestic markets (formal and informal). In addition walking existing Small and Medium Sized Enterprises (SMEs) through the process of food safety implementation, product, and market and business development. Based on the priority value chains, the ongoing work by other project in Kenya and input from Kenya based institution, a list of SMEs and food safety professional have been identified for consideration to participate in the COMESA Preventive Control for Animals and Plant training and technical support FDA-FSMA Foreign Supplier Verification Programs (FSVP). Table 23. and 24 below summaries the selected SME and National Food Safety Agencies recommended for capacity building programme

Table 23. SMEs recommended for the COMESA FSMA capacity building Programme

| **No** | **Company/firm Name** | **Product** | **Name of Contact Person** | **Telephone** | **Email address** |
| --- | --- | --- | --- | --- | --- |
|  | Muhondo Coffee Company | Coffee | Wellers Karangwa | +250 788447070 | muhondocoffee.company@yahoo.com |
|  | Rwanda Tea Packers | Tea | Kabajambe Hamim | 250 738302537 | accounts@rwandateapackers.com |
|  | Macadamia Growers Limited | Nuts | Umubueni Meltine | +250 788510589 | umubyeyimeltine@gmail.com |
|  | Rwashocco | Specialty Food | Karekezi Angelique | +250 788456614 | rwashocco@hotmail.com |
|  | ABDC Natural Rwanda Honey | Honey | Mpayana Raphael | +250 788355616 | rmpayana@gmail.com |
|  | Rwanda Farmers Coffee Company Ltd (RFCC) | Coffee | Uwimana Innocent | +250 788302305 |   |
|  | LOTEC Rwanda Limited |  French beans | Peter Gatheru |   | lotecrwandaltd@gmail.com |
|  | Farmfresh | beans  | Christian Heremans | +250 727130310 | christian.heremans@farmfresh.rw |
|  | SHEKINA Enterprise | Processed Food | Mbatezimana pierre amien | +250 788 599158 | sheki05@yahoo.com |
|  | Aux Delices Honey Limited | Honey | Uwingabiye Murekezi Solange | +250 788494010 | sosomur@yahoo.fr |
|  | FreshPack Rwanda | fruits and vegetables | Vianney Kabera | +250 788300047 | kabera@frshpack.uk.com |
|  | WIEN |   | kanani Esperance | +250 787537067 | wien4156@gmail.com |
|  | Rwanda Nut Company | Nuts | Momoko Harada |   | momoko.harada@rwandanuts.com |
|  | Rwacof Exports Sarl  | Coffee | Emmanuel Rusatira | +250 788 610 532 | re@rwacof.com |
|  | Rwanda Mountain Tea  | Tea | BELLA NYIRAHUKU | +250788454426 | bnyirahuku@rwandamountaintea.com  |
|  | Karogi Tea | tea | Josian Mutagana | +250788304630 | josiane@karongitea.com |

Table 24.Regulatory Institutions Recommended for the COMESA FSMA capacity building Programme

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | Rwanda Standards Board | Antoinette Mbabazi | +250 788646292 | antoinette.mbabazi@rsb.org |
| 2 | National Agricultural Export Development Board | Celestine Gatorayili | +250 788309515 | gatarayi@naeb.go.rw |
| 2 | National Agricultural Export Development Board | Celestine Gatorayili | +250 788309515 | gatarayi@naeb.go.rw |
| 3 | Rwanda Agricultural and livestock Inspection and Certification Services | UWUMUKIZA Beatrice | +250 727775170 | buwumukiza@minagri.gov.rw  |

## Ethiopia

The African Development Bank’s 2019 economic out report projects the Ethiopia Real GDP growth to recover from 7.7% in 2017/18 to 8.2% in 2018/19 and 2019/20, supported by industry and service sector expansion and agricultural sector recovery. The ongoing industrial zone development will booth the industrial output while agriculture will benefit from investments in fertilizer, irrigation, and improved seeds. In the past few decades the economy of Ethiopia experienced growth averaged about 10.3% in the period 2005/2006 to 2015/2016. This growth was bolstered by the expansion in agriculture and other sectors such as construction and services. However trade played a moderate role in the country’s economy, and the value of both imports and exports equaled 36% of the GDP during this period. In 2017 the country a shipped US$2.9 billion worth of products around the globe in 2017. Ethiopian regional exports as a percentage of global exports stands at 16.8% compared to 42.7% it exported to Asian countries in 2017. The low regional exports may be attributed to the fact that Ethiopia does not participate in any preferential trade arrangements on the continent despite being part of COMESA and IGAD. Its Africa top export destination countries includes Somalia, Djibouti and Kenya. It is worth noting that during the last five years the country’s exports have decreased from $3.01B in 2012 to $2.9 B in 2017. The most recent exports were led by Coffee which represent 32.5% of the total exports of Ethiopia, followed by oil Seeds, which account for 15.9%.Table 25. Below list top 10 Ethiopian Export destination

#### Table 25: 2017 Top 10 Ethiopia Export Destination

|  |  |  |  |
| --- | --- | --- | --- |
| No | Market | Trade (US$ Mil) | Partner Share (%) |
| 1 |  China | 288.2 | 10.1 |
| 2 | Somalia | 243.6 | 8.5 |
| 3 | United States | 227.3 | 7.9 |
| 4 | Saudi Arabia | 206.2 | 7.2 |
| 5 |  Germany | 195.1 | 6.8 |
| 6 |  Netherlands | 188.9 | 6.6 |
| 7 | United Arab Emirates | 127.6 | 4.5 |
| 8 | Switzerland | 111.6 | 3.9 |
| 9 | Japan | 101.1 | 3.5 |
| 10 | Djibouti | 96 | 3.4 |

 Source: http://www.worldstopexports.com/ethiopias-top-trading-partners/

### Ethiopian Overall Exports

The following export product groups were the top 10 product with the highest dollar value during 2017. This has been calculated at four-digit Harmonized Tariff System level. At this level the most valuable exported products were coffee followed by miscellaneous oil seeds and oleaginous fruits;

1. Coffee, tea, spices: US$963 million (33.6% of total exports)
2. Vegetables: $538.4 million (18.8%)
3. Oil seeds: $446.3 million (15.6%)
4. Live trees, plants, cut flowers: $221.9 million (7.8%)
5. Gems, precious metals: $125.7 million (4.4%)
6. Meat: $97.1 million (3.4%)
7. Raw hides, skins not furskins, leather: $74.8 million (2.6%)
8. Live animals: $61.9 million (2.2%)
9. Electrical machinery, equipment: $56.2 million (2%)
10. Footwear: $45.5 million (1.6%)

From the above figures it is worth noting that the Ethiopia’s top 10 exports are highly concentrated, representing 91.9% of the overall value of Ethiopian global shipments. The electrical machinery and equipment was the fastest-growing among the top 10 export categories, up 175.1% from 2016 to 2017 followed by coffee, tea and spices category placed second at 27.2% gain (bulk coffee exports generated the bulk of these international). Footwear exports posted the third-fastest gain at 22.5%. There were two categories of exports that declined improvement namely live animals which was down -31.8% and oil seeds at -13.7%.

### Ethiopia Food Exports

Agricultural sector is one of the largest component of Ethiopian Economy. It employs majority of the population who are smallholder farmers practicing subsistence farming on less than one hectare of land. The most important cereals in terms of volume are maize, wheat, millets, and teff accounting for a combined total of 77% of all cereal production. However, barley, sorghum and millet are also widely grown. Pulses and oilseeds constitute other major crops in Ethiopia, grown for domestic consumption and export. The main food products coffee, sesame, and fruits and vegetables. According to the National Bank of Ethiopia, fresh fruits and vegetables generated US $56 million in export sales in 2016/17 period. This accounted for about two percent of Ethiopia's total agricultural exports, but Coffee is Ethiopia’s biggest export crop in terms of value, followed by Vegetables and oil seeds. Ethiopia is also a major exporter of assorted spices. The food cash crops identified as have great potential for growth and offer possible investment opportunities are coffee, oilseeds, pulses, fruits and vegetables, honey, tea, and spices.

### Analysis of Ethiopian Export to US

 In 2017 Ethiopia was the United States' 102nd largest supplier of goods it exported worth US$291 million in 2017 which was an increase of 23.4% ($55 million) from 2016, and 230.3% from 2007. At 2-digit HS level main export categories in 2017 were: coffee, tea & spice (coffee) ($147 million), knit apparel ($36 million), footwear ($29 million), miscellaneous grain, seeds, fruit (oleaginous nut) ($18 million). The agricultural product exports totalled $174 million in 2017. Leading categories include: coffee, unroasted ($147 million), nursery products ($5 million), spices ($1 million), planting seeds ($502 thousand), and wine and beer ($343 thousand).

### Priority Food Value Chains/Products

 The Government of Ethiopia seeks to boost exports and trade through $1 billion annual investment in agro processing industrial parks to make Ethiopia a top manufacturing hub on the continent. The Integrated Agro-Industrial Parks (IAIP) are a key focus of Ethiopia's economic development strategy. Key agricultural commodities intended for processing and exports through the IAIP are the following:

1. Coffee,
2. Cereals (Sorghum, maize)
3. Pulses, Oilseeds and Spices
4. Horticulture
5. Meat and dairy

The value chains with the greatest potential to increase exports to US are discussed below;

**Coffee** – The country exported 3.3 million 60-kg bags of coffee in 2016/17 generating $881 million in revenue with America being its biggest market. The export increased 13.5% from the previous period, and it is currently Africa’s largest coffee producer. The country is now targeting annual revenue of $2 billion by the period 2019/2020, and this implies the country has to increase production from the current 400,000 tonnes to 1 million tons.

**Vegetables-** Ethiopia is known for growing a wide range of vegetables that include green beans, snow peas, broccoli, asparagus, okra, cabbages, cauliflower, and eggplant among others. Extensive irrigation and a vast workforce support vegetable growing. Vegetable exports brought in $538 million in 2017.

**Pulses, Oilseeds and Spices-**Ethiopia grows high-value oilseeds that are coveted around the world, and are in high demand. The seeds produced in Ethiopia include sesame seeds, mustard, pumpkin, sunflower, rapeseed, castor seed, and groundnuts. Oilseeds accounted for $446 million in exports for the year 2017. In the last five years, sesame production has doubled, except for the 2015/16 drought year which resulted in nearly a 10 percent reduction in total production for the year. The country also earned US$ 350 million from pulses and US$ 16 million in 2017

To be able to export some of these products to the US and international market the Country will have to invest in food safety and quality systems that includes Sanitary and Phytosanitary (SPS) and food safety certification.

### Building Capacity Implement FDA Food Safety Modernization Act requirements

Ethiopian manufacturing sector is just taking off with the recent launch of The Integrated Agro-Industrial Parks (IAIP) programme. Thus the food quality and safety standards are still a work I progress. That is why the processed foods sector for the US market requires a different approach; one which recognizes the complexity of the U.S. market. The FDA requires all products imported into the U.S. to adhere to strict processing guidelines as products manufactured in the U.S. This means that the AGOA export eligible companies must comply with the same level of USA public health protection required from USA based food processing enterprises. The regulations are in place to ensure that food supply is not adulterated and is not misbranded with respect to allergen labelling.  Furthermore, all processors are required to implement a Hazard Analyses and Critical Control Points (HACCP) throughout their facility.  Although somewhat standard in many U.S. facilities, these requirements will certainly be a challenge for smaller food processors in AGOA export eligible countries.

Consequently there is a need to emphasize implementation of food safety plan in all value-added food processing for both international and domestic markets (formal and informal). In addition walking existing Small and Medium Sized Enterprises (SMEs) through the process of food safety implementation, product, and market and business development. Based on the priority value chains, the ongoing work by other project in Kenya and input from Kenya based institution, a list of SMEs and food safety professional have been identified for consideration to participate in the COMESA Preventive Control for Animals and Plant training and technical support FDA-FSMA Foreign Supplier Verification Programs (FSVP). Table 26.and 27 below summaries the selected SME and National Food Safety Agencies recommended for capacity building programme

Table 26. Selected SME for the COMESA FSMA capacity building programme

| **No** | **Name** | **Designation** | **Company**  | **Contact** | **Email address** |
| --- | --- | --- | --- | --- | --- |
|  | Fetlework Tefferi | Owner Director  | BRUNDO INTERNATIONAL | +251 930 069 991US # 5103256556 | fetlework@brundo.com  |
|  | Ms. Muluemebet Gebeyehu | Director  | MULU AGRO-PROCESSING | +251931709592 or +251938048161 | muluhoneyproduct@hotmail.com  |
|  | Ms. Melat Yoseph | Manager  | VITA BITE NUTRITION | +251911238453 | vitabitenutrition@gmail.com  |
|  | Afework Gebreselasie | Director  | KALHAB TRADING | +251911210140 | kalhabtrading@gmail.com  |
|  | Solomon Habte |  |  | +251910224413 | solomonhabte@gmail.com  |
|  | Million Bogale |  | BALEGREEN SPICES  | 0911450519 | Balegreeninvestment@gmail.com  |
|  | Aynalem Massebo | Managing Director | AJORA AGRO INDUSTRY ENTEPRISES SU | 0915735133 | dhcayn2003@yahoo.com  |
|  | Tegene Atlaw Demissie | Quality Expert | ACOS ETHIOPIA PLC | 0923288666 | Tegene.atlaw@redongroup.com Tegene.atlaw@pedongroup.com atlawtafi@gmail.com  |
|  | Edao Abdi | Director | EDAO INTERNATIONAL TRADING | 0911490696/022-1123132 | edaoabdi@yahoo.com  |
|  | Kassahun Endwagaw | General Manager | OAK BUSINESS INVESTMENT | 0911410993 | kassahunbelgu@gmail.com  |
|  | Tenesegen Retebo | General Manager | TENESGEN RETEBO INTEGRATED | 09112347440930105698 | Temret22@email.com  |
|  | Asrat Balcha | Manager | KIHEDAM TRADING PLC | 09112023990114196561 | assrbal@gmail.com  |
|  | Rahel Heruy Gizaw |  | DAMA SCENE ESSENTIAL OILS PROCESSING PLC | 0968578242 | rahelheruy@yahoo.com  |
|  | Tayachew Abere |  | RIB INDUSTRIAL AND COMMERCIAL PLC | 0933587461 | tribplc2016@gmail.com tribplc2000@gmail.com  |
|  | Sara Tanegeta |  | DAMOTA WOLAYTA FARMERS COOPERATIVE | 0912918815 /01144313224 | Tanegeta.sara@yahoo.com  |
|  | Kessima Kuzeyan |  | TEKHAF TRADING PLC  | 0930294921 | tekhaftradining@gmail.com  |
|  |  Haile Ayalew |  Director | EMAMUZ | +251911513315 | emamuzexport@gmail.com  |
|  | Elias Geneti | Director | OLIRA AGRO |  | eliasgeneti@gmail.com   |

Table 27. Regulatory and Trade Support institutions recommended for COMESA FSMA Capacity Building Programme

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Name**  | **Designation**  | **Institution**  | **Telephone**  | **E-mail**  |
|  | Mr. Endalew | Director General | Ethiopian Standard Agency(Esa) | 251116460111 | info@ethiostandards.org |
|  | Mr. Yehulu Denekew | Director Genera; | Food, Medicine And Health Care Administration And Control Authority Of Ethiopia | +251115524122+254115524120 | regulatory@fmhaca.gov.et |
|  | ABERRA KIBEBEW | Tea And Spice Market Development & Support Team Leader | Ethiopian Coffee And Tea Dev't And Marketing Authority | 09133324680913332468 | Aberakibebeal @gmail.com |
|  | DAGMAWI GUJA BAYOU | Export Commodities Certification And Information Expert | Southern Region Farmers’ Cooperative Federation Southern Region NAWASSA | +251921462280+251462208210 | dagigusa@yahoo.com |
|  | EYURASALEM HADGU | Membership Service Development Officer | Ethiopian Oil Seeds Pulses And Spices Processors Exporters Association | 09130404310116623545 | epospeajerry@gmail.com |
|  | Eyoel Legesse |  | Food Beverage And Pharmaceutical Industry Institute | +251911607499+251929376232 | Eyoel2007.e;@gmail.com |

## Mauritius

The latest African Development Bank economic out report projects the Mauritius Real GDP growth to be 4.0% in 2019 and 3.9% in 2020. The country shipped US$2.1 billion worth of goods around the globe in 2017. This represents a -10.2% drop since 2013 and a -4.2% year-over-year retreat from 2016 to 2017. The most important sectors of the Mauritian economy are: textiles, tourism, financial and business services, information and communication technology, seafood processing, real estate development, energy, and education/training

In the same year over half (50.4%) of the country exports by value were delivered to European countries while 21.1% African nations. Another 12.9% worth of goods were shipped to Asia, with 11.7% going to customers in North America.

### Ethiopian Overall Exports

At the 2-digit Harmonized Tariff System (HTS) code level the following export product groups represented the highest dollar value in Mauritian global shipments during 2017.

1. Knit or crochet clothing, accessories: US$305.7 million (14.5% of total exports)
2. Clothing, accessories (not knit or crochet): $298.5 million (14.2%)
3. Meat/seafood preparations: $296.2 million (14.1%)
4. Sugar, sugar confectionery: $254.6 million (12.1%)
5. Fish: $118.9 million (5.7%)
6. Gems, precious metals: $111.4 million (5.3%)
7. Coffee, tea, spices: $55.2 million (2.6%)
8. Cotton: $44.8 million (2.1%)
9. Electrical machinery, equipment: $44.6 million (2.1%)
10. Optical, technical, medical apparatus: $36.7 million (1.7%)

Further analysis at 4-digit HTS codes reveals the most valuable export goods as; clothing and accessories ahead of fish and caviar, sugar, unmounted diamonds and the spice vanilla. The top 10 exports products group above accounted for about three-quarters (74.5%) of the overall value of its global shipments. The fastest growing export product among the top 10 was seafood preparations which gained 12.6% gain from 2016 to 2017.In second place for improving export sales were spices (mostly vanilla), coffee and tea which rose 11%. The country’s shipment of cotton posted the third-fastest gain in value up by 9.2%.

The exports products that registered negative growth were led by electrical machinery and equipment category which was down by -64.5% year over year.

### Mauritius Food Exports

Due to its limited size, the absence of economies of scale Mauritius is a net food importer, with an overall self-sufficiency ratio of less than 30%. The absence of economies of scale, and the comparative advantage of sugarcane in economic terms, Mauritius imports many of its essential food requirements. For instance the country imported food worth USD 1.1 billion in 2016, representing 18% of total Mauritian imports. France was the leading source of Mauritian food imports with a market share of 11%, followed by Spain (9%).

However the country still exports some food products such as fish, seafood and spices. It 2017 it earned $296.2 from meat/seafood preparations, $254.6 million from Sugar, sugar confectionery, $118.9 million from and $55.2 million from coffee, tea, spices: (mainly tea and spices)

### Analysis of Mauritius Export to US

In 2017 Mauritius was the United States' 104th largest supplier of goods imports. The United Stated imported goods totalled $286 million in 2017. The reflected a decrease of 14.9% ($50 million) from 2016, but up 52.4% from 2007. The leading exports at 2-digit HS were: woven apparel ($123 million), precious metal and stone ($60 million), prepared meat and fish ($34 million), knit apparel ($24 million), and sugar ($11 million). Main agricultural products exported to US by the country during the same period include: raw beet & cane sugar ($11 million), spices ($820 thousand), sugars, sweeteners, bev bases ($85 thousand), wine and beer ($48 thousand), and tea, including herb ($10 thousand). U.S. total imports of agricultural products from Mauritius totalled $12 million.

### Priority Food Value Chains/Products

The Mauritius National Export Strategy 2017-2021 prioritize the Fisheries and Aquaculture and processed food sectors/value chains following food to drive its effort to increase food exports earnings. The two sectors are discussed below;

**Fisheries and Aquaculture:** The country aim is to provide alternative diversification options based on the utilization of existing raw materials and others that have traditionally been discarded. These include the use of by-catch and cartilages and the development of new tuna-based products. The country plan is to consolidate the current market share of the country in the traditional EU market, while gaining market share in new emerging markets.

**Processed Food:** The country is working towards the transformation of the incipient processed food industry into an integrated national value chain. It plans to reinforce the domestic supply of raw materials that are suitable for the industry, and improving the organization and coordination among the various operators of the value chain. The goal is to diversify the offering of processed food products. Key product min this sector are vanilla extracts, powder and beans, honey, spices, herbs, specialty tea, essential oils and tropical jams.

However for the country to maximize he opportunities in the processed food market, it must put in places measures required to build capacity of SMEs to meet the US market and international food exports requirements. This means that country will have to invest in food safety and quality systems that includes Sanitary and Phytosanitary (SPS) and food safety certification.

### Building Capacity Implement FDA Food Safety Modernization Act requirements

The latest FDA requirements under FSMA are a bit more complex. Thus SME requires technical support to assure that the food processing each facilities meets the new requirements. The new rules requires the importer on record in the U.S.A. to review all documentation from the processors. This makes the importer 100% liable for any potential food contamination or hazard. Thus it is important for the importer to feel confident with the processing facility food safety system to assured the product being imported will not be a potential liability.  Furthermore, all processors are required to implement a Hazard Analyses and Critical Control Points (HACCP) throughout their facility.  Although somewhat standard in most large food processing facilities, these requirements will certainly be a challenge for smaller food processors.

Consequently there is a need to emphasize implementation of food safety plan in all value-added food processing for both international and domestic markets (formal and informal). In addition walking existing Small and Medium Sized Enterprises (SMEs) through the process of food safety implementation, product, and market and business development. Based on the priority value chains, the ongoing work by other project in Kenya and input from Kenya based institution, a list of SMEs and food safety professional have been identified for consideration to participate in the COMESA Preventive Control for Animals and Plant training and technical support FDA-FSMA Foreign Supplier Verification Programs (FSVP). Table 28.and 29 below summaries the selected SME and National Food Safety Agencies recommended for capacity building programme

Table 26. SME recommended for the COMESA FSMA training

| **s/n** | **Company**  | **Name** | **E-Mail Address** | **Contact Number**  |
| --- | --- | --- | --- | --- |
| 1 | Banana / VEG BIO Culture Co Ltd | Clifford ARLANDOO |   | 57839780 |
| 2 | Coveriss Liquid Ltd | Prakash KURNAUTH (represented by Mr BUNDHUN) | pkkurnauth@gmail.com | 4124925 |
| 3 | Coveriss Liquid Ltd | Mrs Bundhum | pkkurnauth@gmail.com | 4124926 |
| 4 | DONSA Food Enterprise Ltd | Mr OODUM |   | 57554700 |
| 5 | DONSA Food Enterprise Ltd | Mrs Nandeenee OODUM |   | 57554701 |
| 6 | Exquisite Spices Ltd | Sahid SUMMALLY |   | 2303000 / 2413000 |
| 7 | Fayence Fruits Veg Ltd | Hansraj JAUNKY | hansrajjk@hotmail.com | 4165702 |
| 8 | Fayence Fruits Veg Ltd | Mrs JAUNKY | hansrajjk@hotmail.com | 4165702 |
| 9 | Food Worth Co Ltd | Ved LUCHMUN | maubon@live.com | 571669208 |
| 10 | Magic Food Industry | Doomela JHEELAN | magic.food@yahoo.com | 57504216 |
| 11 | Magic Food Industry | Tikanand JHEELAN | magic.food@yahoo.com | 57504216 |
| 12 | Miel'or Ltd | Anas MOORBANNOO | info@miel-or.com / moorbannooanas@gmail.com | 57835303 |
| 13 | Nonico Co. Ltd | Bharat RAMRUTTUN | nonico@orange.mu | 2490278 |
| 14 | RKBriz Ltd | Shriyan BRIZMOHAN | shriyan@orange.mu | 57831031 |
| 15 | Seeboruth & Sons Ltd | Rajnee SEEBORUTH | rajneeseebruth@gmail.com | 59208609 |
| 16 | V Kanhye Health Foods Co. Ltd | Vinay JAYTRUTH | vkanhyehealthfoods@orange.mu | 59370239 |
| 17 | Vergers des fruits Crystalises Ltd | Clifford MALEPA | sherleymalepa1@gmail.com | 54935621 |
| 18 | Vergers des fruits Crystalises Ltd | Fidele HONVOU | sherleymalepa1@gmail.com | 54935621 |
| 19 | English Bay | Mr James Webb | cdesiles@intnet.mu | 5342217 |
| 20 | R. Brizmohun Hydroponics | Rohit Brizmohun | shriyan@orange.mu | 52500241 |
| 21 | V.Kanhye Health Food co .ltd  | Kanhye Vinay Jaytruth | vkanhyehealthfoods@orange.mu | 59370239/2831128 |

Table 27. Regulatory and Trade Support Institution Recommendation for capacity Building

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Name of Company/Institution** | **Surname** | **Other Name** | **Position** | **Address** | **Email address** |
|  | Mauritius Standards Bureau |  |  | Director General  |  | msb@intnet.mu  |
|  | National Plant Protection Office |  |  |  |  | moaheadoffice@govmu.org  |
|  | Food Technology Laboratory | NEELIAH | Shalini  |  |  | sneeliah@mail.gov.mu  |
|  | Ministry of Agro Industry & Food Security (National Plant Protection Office) | Mrs. PEERTHUM | Pratimah | Ag. Senior Scientific Officer | Reduit | pratima.peerthum@yahoo.com |
|  | Ministry of Agro Industry and Food Security | Mr. BAHADOOR | Rajen | Chief Agricultural Planning Officer | Port Louis | rbahadoor@govmu.org |
|  | Mauritius Chamber of Commerce & Industry | Mr. AMOOMOOGUM | Vivagen | Analyst |  Port Louis | mcci@mcci.org |
|  | Enterprise Mauritius | Mr. AMOROO | Oupendranath | Assistant Manager |  Port Louis | yogesh.amoroo@em.intnet.mu |

# Annex 1

# FDA trained Lead Auditors (Food Safety Experts) that can Conduct FDA recognised Preventive Control Qualified Individuals training

| No | **Country**  | **Title**  | **Name**  | **Sector**  | **Institution** | **Position**  | **E-mail** | **Phone**  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | Madagascar  | Dr.  | Clarisse Yvonne Maharavo Rahantamalala  | Public Sector  | Ministry in charge of Agriculture and Livestock | National Negotiator in charge of SPS issues  | maharavoclarisse@gmail.com  |   |
| 2 | Uganda | Mr. | Philip Kahuma | Public Sector  | Uganda National Bureau of Standards, Certification Department  | Principal Certification Officer  | philip.kahuma@unbs.go.ug  |   |
| 3 | Kenya | Ms.  | Margaret Kola | Public Sector  | KEBS | Manager | kolam@kebs.org | 254722493330 |
| 4 | Kenya | Mr.  | Martin Masibo | Public Sector  | Kenya Bureau of Standards (KEBS)  | Principal Lab Analyst | masibom@kebs.org | 254 715 692 922 |
| 5 | Regional -AATF | Mr. | Abed Mathagu |   | AATF |   | A.Mathagu@aatf-africa.org |   |
| 6 | Uganda | Mr. | Hakim Mufumbiro | Public Sector  | Uganda National Bureau of Standards | Head, Food and Agriculture Standards Division | hakimmufumbiro@yahoo.com | 256 772 513680; 256701400444 |
| 7 | Kenya | Mr.  | James Irungu | Public Sector  | Food safety systems certification | Kenya Bureau of Standards | jimconn2011@gmail.com mwangij@kebs.org  | 254721540440 |
| 8 | Kenya | Ms.  | Brendah Obura | Public Sector  | Ministry of Health  | Chief Public Health Officer | sikolobrendah@gmail.com | 254 711 359009 |
| 9 | Madagascar  | Dr.  | Olivia Lalatiana Ranaivoarimanana | Public Sector  | Santé publique veterinaire | Chef de Division  | ralala8@yahoo.fr | 00 261 34 11 091 28  |
| 10 | Rwanda |   | Eric Ruracenyeka | Public Sector  | Burundi Bureau of Standards  | Deputy Head of Division, Training and Technical Assistance | ruraeric@yahoo.fr | 257 76 084 444 |
| 11 | Regional- USDA  | Dr.  | Seydou Samake | Public Sector  | USDA-FAS/USAID  | SPS Advisor  | Seydou.Samake@fas.usda.gov  |   |
| 12 | Regional - AATF | Mr.  | David Tarus |   | AATF |   |  d.tarus@aatf-africa.org  |   |
| 13 | Burundi |   | Lucien Masabarakiza | Public Sector  | Burundi Plant Protection Directorate | Head of Phytosanitary Control Service | masabaluc2006@yahoo.fr |   |
| 14 | Kenya |   | Chrispine Jorum Odiemo | Private Sector | Kenya Consumers Organization |   | odiemo@gmail.com |   |
| 15 | Uganda |   | Nauda Rhoda | Public Sector  | Directorate of Government Analytical Laboratory  | Food Safety Analyst | naudarhoda@yahoo.com |   |
| 16 | Ethiopia  |   | Seyoum Wolde | Public Sector  | Food Safety Food, Medicine and Health Care Administration and Control Authority |   | seyawolde@gmail.com |   |
| 17 | Kenya |   | Michael Mungoma | Private Sector | YEN |   | michael@yenkenya.co.ke  |   |
| 18 | Ethiopia  |   | Rahel Moges (Beyene) | Private sector  | EthioGreen  | Managing Director  | rahel@ethiogreen.com; marketing@ethiogreen.com  |   |
| 19 | Kenya  |   | Gaudencia Achitsa (Liambila) | Private Sector  |   | Production Manager | gliambila@gmail.com |   |
| 20 | Madagascar  |   | Dr Harimanana RASOANARIMALALA | Public Sector  |   |  Directorate of Veterinary Services r  | harimananamahery@yahoo.fr |   |
| 21 | Tanzania |   | Joseph Tarimo | Public Sector  |   | Standards Officer  | bazilij@yahoo.com |   |
|  |  |  |  |  |  |  |  |  |

1. <http://www.worldstopexports.com/rwandas-top-10-exports/> [↑](#footnote-ref-1)
2. <http://www.teausa.com/14655/tea-fact-sheet>. [↑](#footnote-ref-2)
3. <http://www.agr.gc.ca/resources/prod/Internet-Internet/MISB-DGSIM/ATS-SEA/PDF/6183-eng.pdf>. [↑](#footnote-ref-3)
4. <https://www.pwc.com/ug/en/assets/pdf/ug-economic-outlook-2018.pdf> [↑](#footnote-ref-4)
5. <https://ustr.gov/countries-regions/africa/east-africa/uganda> [↑](#footnote-ref-5)
6. <http://www.worldstopexports.com/rwandas-top-10-exports/> [↑](#footnote-ref-6)