**Terms of Reference**

**Consultancy to analyze food demand trends, the competitiveness of domestic supply chains thereby developing strategies to enhance trade flows of key food crops in Southern, East, and West Africa**

**Institutional Background**

Founded in 2006, the Alliance for a Green Revolution in Africa (AGRA) is an African-led and Africa-based organization that seeks to catalyze agricultural transformation in Africa. AGRA is focused on putting smallholder farmers at the center of the continent’s growing economy by transforming agriculture from a solitary struggle to survive into farming as a business that thrives.

AGRA is rolling out a new 5-year strategy to catalyze and sustain an inclusive agricultural transformation in Africa to increase income and improve food security for 30 million farming households. The current strategy also aims to support 11 focus countries to embark on a pathway to attain and sustain agricultural transformation. AGRA’s approach includes;

1. Strengthening state capacity to drive agricultural transformation through improved planning, coordination, implementation and accountability as well as putting in place an enabling environment that facilitates private sector investment in agriculture and allied industries;
2. Developing systems closer to farmers in order to drive productivity, access to markets, boost resilience, and strengthen public and private sector capacity to achieve the scale required to transform the agricultural sector;
3. Partnering with governments and private agribusinesses to mobilize and improve the integration and coordination of investments.

In addition to the above-mentioned strategic choices, AGRA invests in efforts that strengthen farmers and agribusinesses’ resilience to shocks and stresses, women empowerment, and youth employment.

AGRA and the United Kingdom Department for International Development (DFID) are launching a strategic initiative that will facilitate food trade flows in Africa and beyond. The Africa Food Trade and Resilience Initiative focuses on promoting regional food trade and food markets through policy predictability and market systems development. This initiative targets AGRA’s 11 priority countries and others in East, West, and Southern Africa that are important to regional food trade in order to improve food security, generate more rural jobs, strengthen resilience, and increase income for farmers.

**Regional Food Trade Context**

The population of SSA is expected to more than double to 2 billion by 2050. Projected population growth, rapid urbanisation, rising income and shifting diet habits suggest that demand for food in SSA will increase more than in any other region. High urbanization rates will result in millions of people moving from food-producing rural systems to food-consuming cities over the next decades. SSA’s food import bill already stood at $35 billion in 2014 and at current trends it could treble by 2025[[1]](#footnote-1).

Recent World Bank research from six African countries shows that changes in local consumer demand, urbanization and export opportunities change the structure of the food system and the broader economy. “Diets change as per capita incomes increase, with the share of the income increases spent on cereals declining relative to other fresh, processed, and convenience foods”[[2]](#footnote-2).This creates new investment opportunities that create jobs and markets for farmers’ produce.

With economic growth and increases in productivity, the share of the population employed in primary production is expected to decrease. However, the food sector, including primary processing, trade and services presents the most immediate opportunities for economic growth and diversification in many SSA countries and the sector will be crucial to growth and poverty reduction over the next two decades.

Regional market development promotes specialization and efficiency, boosting agriculture productivity and taking advantage of the complementarity of agro-ecological zones. Food trade between surplus and deficit areas also allows markets to mitigate food shortages, increasing resilience and food security at a regional level.

Despite the potential and vast opportunities, intra-regional trade in SSA remains consistently low compared with inter-continental trade (UNCTAD). For example, only 5% of Sub Saharan Africa’s (SSA) imports of cereals come from other SSA countries[[3]](#footnote-3). Continent-wide, more than 80 percent of Africa’s exports are destined for outside markets, with the European Union (EU) and the United States accounting for more than 50 percent of this total[[4]](#footnote-4).

**Objective**

The objective of this consultancy is to inform AGRA (and indirectly its partners) on prioritizing and better targeting its interventions in terms of geography, food commodities and points of leverage in the market system per region to capitalize on latent opportunities to grow intraregional food trade. The focus will be to promote inclusive and sustainable regional food trade for maximum scale and impact on regional food security and income growth. The information collected should provide basis for a framework for prioritizing work on trade, infrastructure, energy, investment, along promising economic corridors with strategic significance to food and agriculture. The methodology will rely on meta-analysis of publicly available information while mapping existing infrastructure projects and policy reforms in the pipeline for each country to minimize overlap and ensure efficiency of policy recommendations. The recommendations should be validated with private sector associations, trade bodies and public institutions facilitating trade and like-minded initiatives. Another study is running concurrently under BMGF and IFPRI to map expected changes in food consumption trends in African countries over the next 10-20 years based on dietary preferences emerging from population growth, urbanization, growth in incomes, consumer education on health etc. It will be important to tap into this analysis as part of synthesizing recommendations. Geographical focus for the study will prioritize the 14 countries[[5]](#footnote-5) covered by AGRA, natural complementarities in agro-ecologies; complementary market sheds; existence of trade infrastructure (intra and inter regional as well as international –ports, roads, storage, processing etc.).

To achieve this, the consultant(s) will perform the following tasks;

1. Broadly assess and affirm country’s priority crops and food value chains as per their policy and vision statements. Identify drivers towards market-oriented approaches to food security for each of these crops that improve the competitiveness of domestic producers and enable African economies to integrate into regional and global value chains.
2. Given the focus on priority tradable food commodities within the defined criteria and geography above as well as existing commodities and trade flows (especially highlighting where trade is not happening even where the price environment is signaling that it should) articulate challenges facing trade in these specific commodities and related corridors and the companies that deal in them. Provide solutions into how markets can solve the imbalances between surplus and deficit areas or why they are not solving them. Identify the issues faced by market participants, regulations, food quality standards that are unknown or not harmonized, infrastructure etc. The analysis should be buttressed by robust information food price analysis on trade flows – both direction and volume by country or within sub-regions.
3. Using trade flow and production cost data in the selected countries recommend and implement a “quick & dirty” methodology to analyze the growth potential of the top five value chains in productivity/production and volume traded. This may include comparison of natural or agro-ecological factors, production cost, processing cost, and logistic cost for these commodities to ascertain the competitive advantages of different countries (and sub regions[[6]](#footnote-6)) to key value chains. The analysis should and propose strategies to sustain and enhance the growth of these supply chains in domestic, regional, and international markets. With the aid of GIS mapping identify geographic location of production and direction of trade within and between countries.
4. Assess each AGRA country’s aggregate capacity to store, process, transport and market shortlisted food value chains identified above and identify additional capacities that are required, and the level of investments required. The analysis should be presented as an opportunity for investment and trade by the private sector. Further to this, map the top 15 off-takers (aggregators, traders, processors etc.) in each country playing a leading role in the food[[7]](#footnote-7) output markets, their storage and processing capacity as well as their origination/sourcing models. AGRA will use this information to target them for support and growth as well as linkage to existing AGRA investments in staples and oilseeds production.
5. Map existing and planned infrastructure projects and masterplans as well as major and minor food corridors including the principal feeder areas where the priority crops are produced. Apply process analysis to identify bottlenecks in logistics and their related costs with implications for prioritizing key food corridors to justify further support.
6. Map the pipeline of policy reforms in each country and at REC and AU level by each priority crop
7. Identify key sources of reliable formal and informal food trade data (parameters, frequency, data management) in AGRA countries of interest. Note gaps and make proposals for improving this element by the programme or others (initiatives underway in addressing statistics in food trade).

**Deliverables**

1. Inception report detailing the approach, methodology and work plan of carrying out the assignment which will lead to prioritization of: countries, tradable food crops, trade corridors and suggested interventions
2. Draft report and powerpoint format including recommendations validated with stakeholders at the Africa Green Revolution Forum September 3rd-6th 2019 inn Accra, Ghana
3. Final report that addresses stakeholders’ comments and meets all the 7 tasks above submitted against a hard deadline of September 30th 2019

**Level of effort**

This assignment will be carried out within a period not exceeding 4 months.

**Management**

The consultant will report to the Head of Regional Food Trade at AGRA. The consultant will also have access to guidance from a core team consisting on the Heads of various AGRA units including Markets, Policy, and Strategy and Analytics.

**Eligibility/ Requirements**

The consultant(s) should demonstrate;

* Knowledge of basic micro and macroeconomics, knowledge of real-world data with ability to manipulate and convert it to a model admissible form, knowledge of policy issues and institutional structures.
* Experience in delivering market intelligence and policy strategy.
* Expertise in designing and conducting qualitative and quantitative assessments in developing public private partnerships.
* Strong experience in data and analytics in the agriculture sector.
* Excellent knowledge of agricultural development issues and policy advocacy in sub-Saharan Africa.
* Possession of great networks and working knowledge across the focus countries and ability to achieve consensus between different stakeholders.
* Knowledge of major actors in order to generate this list of offtakers, and expertise in primary data collection.
1. African Development Bank (2017) Feed Africa Strategy [↑](#footnote-ref-1)
2. World Bank (2017) Shaping the Food System to deliver jobs, Working Paper [↑](#footnote-ref-2)
3. World Bank (2012) as cited in Approaches to promoting intra-regional trade in staple foods in sub-Saharan Africa, 2017, K4D, Suleymenova K and Syssoyeva-Masson, I, page 2. [↑](#footnote-ref-3)
4. [↑](#footnote-ref-4)
5. Mozambique, Malawi,, Zambia, , Kenya, Tanzania, Uganda, Ethiopia, Rwanda, Nigeria, Ghana, Mali, Burkina Faso; Ivory Coast, Togo [↑](#footnote-ref-5)
6. Southern, eastern and western africa [↑](#footnote-ref-6)
7. This may include major staples crops, other high potential tradable crops and livestock value chains and processed products with strong backward linkages to agriculture production [↑](#footnote-ref-7)