



Mapping different supply chains of fresh produce exports from Africa to the UK

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The UK, with a population of 60 million has become a sizeable market for fresh produce from sub-Saharan Africa (SSA). This is because of its seasonal marketing windows, attractive prices, diverse consumption patterns and rising demand for specific fresh produce. This paper seeks to provide a detailed map of the supply chains of African fresh imports in the UK, quantifying volume and value traded, the people who depend on them for a living, as well as the current trends in sourcing.

Source countries for African fruit and vegetables to the UK

In 2005 SSA supplied over 650,000 tonnes of all categories of fruit and vegetables (F&V) to the UK. If South Africa is excluded from the data, then in 2005, SSA countries exported 73,788 tonnes of vegetables to the UK worth £105 million and 209,555 tonnes of fruit worth £89 million.¹

Among five significant fruit and vegetable exporting countries in SSA (excluding South Africa), Kenya dominates the vegetables trade and Ivory Coast the fruit trade. Key facts for these five countries are shown on the map and discussed in more detail below.

Kenya is one of the world's leading exporters of fresh green beans (French and runner beans), and peas (snow peas and sugar snaps) as well as a minor exporter of tropical fruits (e.g. avocado, papaya and passion fruit). Other vegetables exported include squash, peas, aubergines, chilli, and sweetcorn.

Key factors behind Kenya's dominance include a dynamic private sector that has benefited from structural and macro-economic reforms as well as an efficient transport hub. Approximately 75 per cent of exported produce is marketed through supermarkets, with the remainder entering the wholesale and food-service sectors.

Exports of fresh produce from Kenya have been associated with significant smallholder involvement. In the 1990s, researchers estimated that three-quarters of fruit and vegetable export production came from small-scale growers (SSGs). However it is readily accepted that smallholder involvement has significantly declined due to pressures from GlobalGAP compliance. The results of a recent survey confirm that the number of smallholder growers of vegetables has fallen over 50 per cent, from an estimated 11,600 in 2004 to about 5,500 in 2006.¹

Ghana has a small range and volume of export vegetables (gourds/pumpkins, yam, and chilli peppers), with a total annual value of £10.8 million from a volume

of approximately 15,000 tonnes. All of the vegetables are sourced from smallholders by a relatively large number of vegetable exporting companies (via intermediaries), who supply mostly UK wholesale markets. Fruit exports are bananas, pineapple, melons and papaya, although the volumes and values are relatively small (an average of 5,000 tonnes of pineapple in 2005 worth approximately £2.8 million). The producers of these fruits are both SSGs and large farmers/exporters.

Tanzania's fruit and vegetable export production base has two large-scale farms and 2,070 SSGs supplying vegetables to the UK retail (dominant part) and wholesale markets. The number of dependents associated with the export sector is over 32,000 and opportunities for expansion exist. Green beans represent the major export by far (close to 700 tonnes worth about £2 million in 2005). Other produce includes peas, chilli pepper, sweetcorn and gourds. Tanzania does not export any significant volumes of fruit. The production area is viewed positively by supermarkets as an alternative source to Kenya at certain times of the year due to different climatic conditions. It also possesses the potential for expansion.

Uganda exports a relatively small volume of fresh produce to the UK (under 3,000 tonnes in 2005), dominated by okra and including chilli pepper, matooke and pineapple. Overall, levels of exports over the last three years have remained fairly constant, despite considerable donor-supported projects in the sector (although flower exports have increased significantly under the same programme). 2,060 Ugandan SSGs are active in export production. Of these, 1,713 supply a relatively wide variety of produce to the UK market – mainly the wholesale/catering sector. Nonetheless, an estimated 200 SSGs also supply hot pepper, chilli, and okra to the UK retailers.

Zambia's exports of vegetables to the UK totalled £7.4 million in 2005, with peas (about **continued >>**

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Working with the whole supply chain to explore opportunities for securing, upgrading and expanding pro-poor procurement in international horticultural supply chains from developing countries

key messages

- Over 1 million livelihoods of the rural poor are, in part, supported by the export trade of fruit and vegetables from sub-Saharan Africa (SSA) to the UK
- The non-supermarket market is offering a haven for small-scale growers (SSGs) with more than double the number of SSGs in SSA accessing the non-retail market compared to the supermarket supply chains
- However UK market structures are rapidly evolving, led by supermarket innovation but also taking place in the wholesale and food-service sectors. Impacts of the spread of private sector standards into wholesale and food service markets are felt throughout the supply chain, particularly by smallholders in SSA who are required to adapt.
- The export horticulture trade as a whole from SSA to the UK is under competitive threat from Asia and North Africa

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>> continued 1,300 tonnes in 2005) and beans being the dominant products. Other vegetables include sweetcorn, chilli, and courgette. Currently, production and export of produce from Zambia has been reduced with the rise in the value of the Zambian kwacha against the pound sterling making exports uncompetitive compared to other sources. The number of SSGs, workers and dependents involved in supplying the UK fruit and vegetable sector totals approximately 7,000 and the export production base is currently centred on two large producers/exporters.

Employment and livelihoods in the export fruit and vegetable sector

The number of farmers, workers, their dependents and ancillary workers reliant on fruit and vegetable export to the UK for a living in SSA (excluding South Africa) has been estimated at 715,390. Including South African produce would take this figure to at least 1–1.5 million² 3. The table below provides a breakdown by UK market (wholesale or supermarket) and production basis (SSG or large-scale grower (LSG)) for the five study countries.

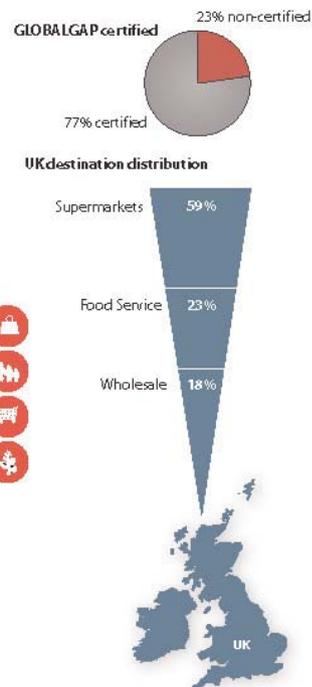
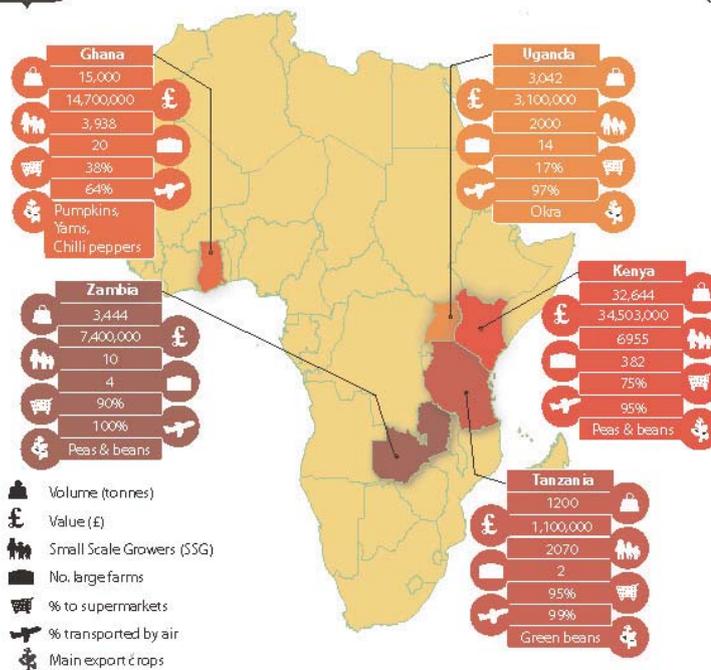
Trends in produce sourcing

For air-freighted imports in particular (which concern all fresh produce exported from SSA), the UK market has mostly become a highly demanding and competitive premium quality market, with a shrinking number of importers. It is increasingly difficult for new entrant suppliers without sizeable investment and attendant certification to satisfy public and private standards. Moreover supermarkets remain wary of sourcing from small-scale farmers. They realise that failure to meet food safety or ethical trading standards can result in bad publicity and undermine their position in the market place.

As a result, between March 2005 and September 2006 over 50 per cent fewer SSGs in Africa accessed these high-value markets. Most of the decline has occurred in Kenya, despite the large amount of donor support. The SSG decline reflects the increased costs and managerial burden associated with meeting



All Fresh Fruit and Veg (FFV) Imports from Africa to the UK



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Source: NRI based on research in 2006, and various

private sector standards. This trend is emphasised by the decrease in external donor funds to maintain smallholder participation.

Other (non-supermarket) markets remain a haven for SSGs wishing to export their products. More than double the number of SSGs in SSA are accessing the non-retail market compared to the supermarket supply chains. The non-retail sector for F&V encompassing traditional wholesale markets, catering and food-service sectors may represent a significant opportunity for smallholders given the lower barriers to entry in relation to private sector standards and quality requirements. Nearly 25 per cent of the volume of produce imported from the five case study countries in SSA now flows into the catering sector.

Future markets

UK market structures are evolving, and this is having an impact in SSA. The wholesale sector, which has traditionally been a major supplier to the food-service industry, is losing some of this business to larger food-service suppliers. These food-service suppliers are behaving more like supermarket category managers and have introduced a greater degree of governance to

ensure higher quality, reduced risk of contamination and traceability. A few companies now dominate the sector, with consolidation taking place and private standards being introduced as has happened in the supermarket sector.

Thus the trend for private standards is moving from supermarket-only export markets into traditional wholesale and food-service markets. The ability for SSGs to comply with these standards has the potential to increase their competitiveness and provide access to these lucrative markets. Non-compliance will further marginalise and exclude them.

Competition from other parts of the world is also a threat to the SSA export markets. The export horticulture trade as a whole from SSA to the UK is under competitive threat from Asia and North Africa. Surveying UK category managers reveals that key factors able to influence future procurement are production efficiencies, transport systems, overall carbon impact, and localised water supply. As such, procurement from SSA is allegedly only secure for three to five years and UK importers are increasingly developing relationships with South and South East Asia and North Africa.

	Market	Ghana	Kenya	Tanzania	Uganda	Zambia	Other SSA	SSA excl SA
SSGs	Wholesale	3,438	2,815	2,070	1,800	10		10,193
LSGs	Wholesale	10	191	1	12	2		216
SSGs	Retail	160	4,140	2	200	0		4,502
LSGs	Retail	10	191	0	2	2		205
Dependents & ancillary workers		70,433	171,237	30,330	29,963	6,948		308,910
Total livelihoods		73,691	178,574	32,397	31,609	6,954	392,165	715,390

Livelihoods in Fresh Fruit and Vegetable export industry to the UK (SSA excluding South Africa) – broken down by SSG and LSG supplying the UK wholesale and retail sectors

Notes

- HM Revenue & Customs Statistics and Analysis of Trade Unit (for HTS 07 and 08) in NRI (2007).
- NRI (2007) Fresh Insights 7 – Mapping different supply chains of fresh produce exports from Africa to the UK. Available at <http://www.agrifoodstandards.net> A GlobalGAP exclusion analysis paper is also available as a Fresh Insight paper at the above site. NRI figures based on field work undertaken between June and October 2006.
- The estimate for SSA is 1–1.5million including South Africa



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