

## Grow Markets, Fight Hunger: A Food Security Framework for US-Africa Trade Relations

### The Opportunity

- **US exports to Africa have increased 200% in the last decade and Africa’s food and agriculture sector is expected to reach \$1 trillion by 2030.**<sup>i</sup> Congress has several legislative opportunities this year – most notably through renewing Trade Promotion Authority and the African Growth and Opportunity Act (AGOA) – to ensure the US is positioned to take advantage of this new market. Combining strong commercial policy with effective development policy will significantly advance food security objectives in Africa.
- **Putting the right trade policies in place is essential to meeting food security goals.** Africa is on course to produce just 15 percent of its estimated food demand in 2030.<sup>ii</sup> While international trade alone cannot eradicate food insecurity, it can alleviate it by filling the gap between a country’s demand for food and its long-term ability to produce food.
- **AGOA is the focal point for US-Africa trade relations, but the program does not benefit Africa’s agriculture sector enough, and it is not designed to incentivize regional integration or address Africa’s own barriers to food trade.** Of Africa’s \$52 billion in food and agriculture exports in 2012, less than 1% were destined for the U.S.<sup>iii</sup> In that same year, only 5% of the trade facilitated by AGOA was related to agriculture and food.<sup>iv</sup>
- **Improvements in regional trade and harmonization of standards and regulations would drive economic growth while improving the availability and affordability of nutritious foods throughout Africa.**

### Recommendations for Congress

A new dimension of US-Africa relations should center around five goals that address key barriers to the agriculture and food sector:

INDIVIDUAL FARMER & AGRIBUSINESS GOALS	POLICY AREA	TRADE & INVESTMENT POLICY APPROACH
 Access inputs to grow food	 STANDARDS	Rationalize regional technical regulations and standards to promote trade in seeds and fertilizer
 Move food across borders	 TRADE FACILITATION	Implement trade facilitation measures with a focus on expediting trade in staple foods
 Sell more food to other countries	 MARKET ACCESS	Remove market access barriers to regional trade; further open the US market through AGOA
 Use income to invest in production	 INVESTMENT AGREEMENTS	Improve the legal environment through investment treaties
 Reduce risk and financial uncertainty	 GLOBAL DISCIPLINES	Advance global agreements to achieve greater transparency and reduce impacts of trade-distorting limitations on food trade

To achieve these goals – the US must shift focus from bilateral commodities trade with African countries to enhancing regional trade on the continent and removing barriers for business entry. A focused dialogue on food trade should center on harmonizing food standards and regulatory frameworks, reducing barriers to trade between countries, and stimulating investment through enhanced legal infrastructure. As the leading US agency on agriculture and with more than a century of expertise on agricultural markets and trade, economic research and analysis, food safety, and natural resource management, USDA in particular has a central role to play in this relationship.

A new food security framework for advancing US-African trade relations can be established through the following actions:

- **Congress should launch a US-Africa Food Dialogue as a way to build out the AGOA Forum to focus more on agriculture and food issues.** In the same way the Joint Commission on Commerce and Trade (JCCT) mobilizes key resources to remove barriers to trade in key sectors of the US-China economic relationship, the US-Africa Food Dialogue would be an opportunity for government leaders across the continent to synchronize efforts to grow US Africa food ties and create impetus for expedited decision-making on food policy reforms by heads of state. The US-Africa Food Dialogue should develop an agenda on regional economic integration, reduce technical regulations and standards barriers to trade, and focus on a trade facilitation agenda that lowers cost and expedites food trade. It can also play host to a new US-Africa Private Sector and Civil Society Community Table to foster cross-fertilization of insights and ideas to aid market development.
- **Congress should increase US government staffing in USTR and US Department of Agriculture to focus on agriculture and food issues in Africa. It should also empower the new USDA Under Secretary for Trade to align US-Africa trade issues related to agriculture and food across the government.**
- **Congress should amend AGOA by setting aside an AGOA share of the in-quota rate or create an over-quota allocation for the tariff lines relevant to prepared or preserved peanuts and the tariff lines relevant to cocoa preparations containing sugar, butter, fat or dried milk,** which are some of the products that could benefit the most from AGOA expansion.
- **Through AGOA, Congress should request a status report and, where appropriate, request expedited review of AGOA beneficiary import approvals.** Congress should also seek USDA's use of a notice-based approach to approval versus formal rulemaking for African horticulture products that have been awaiting sign off for import for several years.
- **Congress should provide support for focusing US-Africa regional trade talks on investment agreements providing a solid foundation for legal and institutional rights.** This will promote a substantial and cohesive blueprint for attracting critical investment as well as reinforce host government accountability for committed reforms.

**Read the full paper at [www.thechicagocouncil.org](http://www.thechicagocouncil.org)**

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<sup>i</sup> Charles Roxburgh et al., *Lions on the Move: The Progress and Potential of African Economies* (New York: McKinsey Global Institute, June 2010).

<sup>ii</sup> Global Harvest Initiative, *2014 Global Agricultural Productivity Report. Global Revolutions in Agriculture: the Challenge and Promise of 2050* (Washington, DC: Global Harvest Initiative, 2014).

<sup>iii</sup> World Trade Organization (WTO), *World Trade Report 2014. Trade and Development: Recent trends and the role of the WTO* (Geneva: WTO, 2014).

<sup>iv</sup> Office of the United States Trade Representative, "Africa," accessed February 4, 2015.