



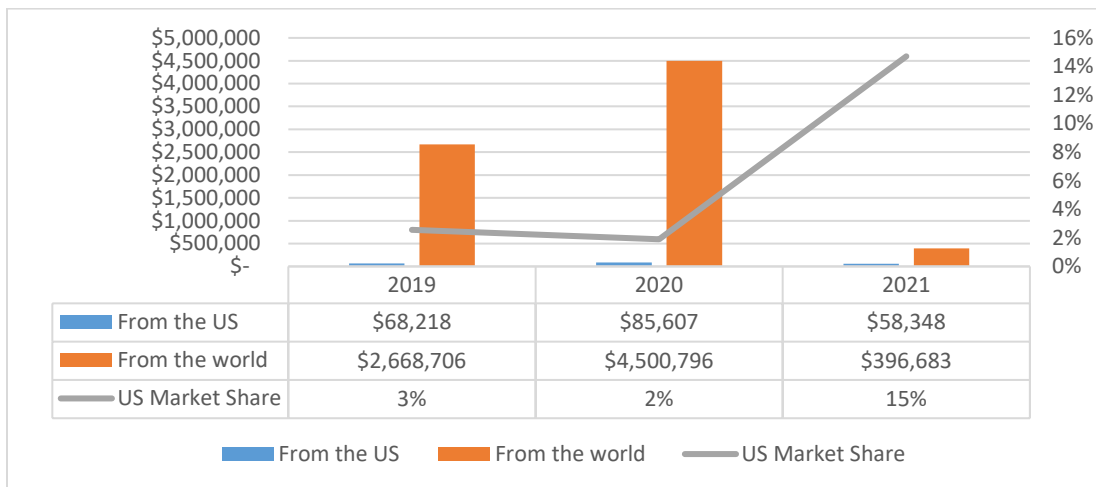
Office: Africa  
For the Month of April 2023  
Report Completed: May 14, 2023



## Executive Summary

This section will concisely discuss some of the latest developments in the market for processed food and seafood in Africa that have effects on US exports.

**Nigeria.** In February 2023, the construction of a \$1.6 billion food processing plant was reported to be underway in Nigeria. The plant is to be completed by 2024, however Nigeria is a long way from cutting off its processed food import bill. The latest figures<sup>1</sup> show that in 2021 Nigeria imported processed food products worth over \$3 Billion from the rest of the world and \$58 million from the US. Between 2019 and 2021, the market shares for US processed food products in the Nigerian market grew by 12% as depicted in the figure below;



Source: Trade Maps

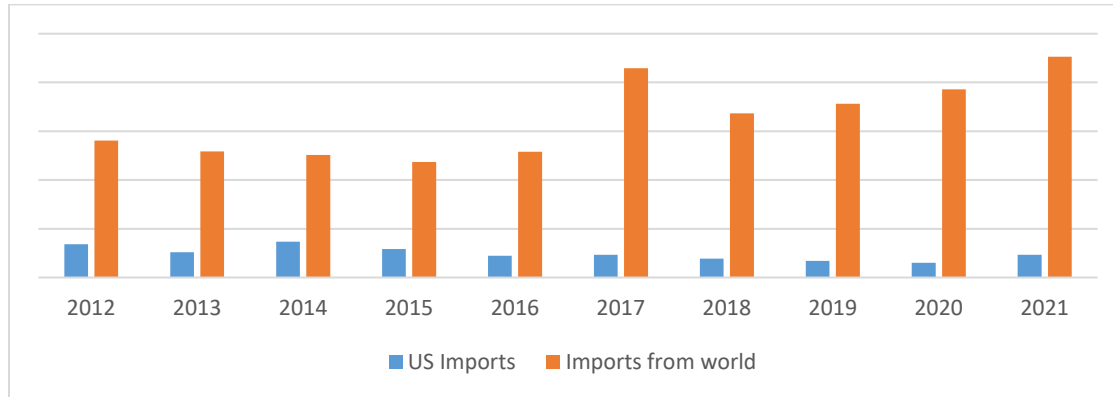
**Figure 1: Processed Food Imports by Nigeria**

From the figure above, Nigeria's demand for US products grew steeply between the period of pre-Covid time (2019) and during Covid (2020 and 2021). The most imported products among the processed foods were food preparations where Nigeria spent about \$58 million in 2021. Although the construction of the food processing plant is expected to cut down on imports, it seems as if the Nigerian market still has a long way to go to cut down on its current demand for US food products which has significantly grown. More so, the processing plant might also open more opportunities for US food preparations which are currently about 45% of the total processed food imports by Nigeria from the US.

<sup>1</sup> The values exclude the value of cigarette imports



**Kenya.** Kenya is recognizing its potential capacity as a hub for the US to reach out to the African market for various products including processed food products. This is amid the Strategic Trade and Investment Partnerships (STIP) negotiations between Kenya and the US. Moreover, Kenya's processed food imports from the US have been showing a generally positive trend as shown below.

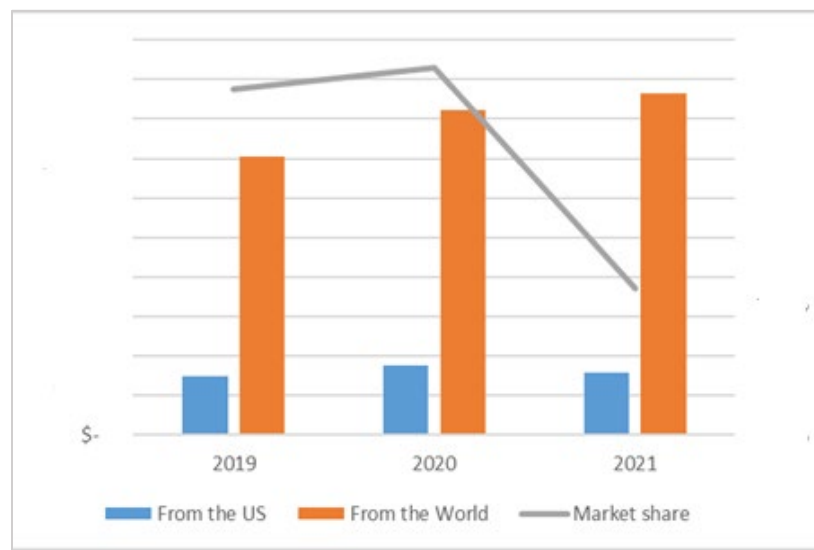


Source: Trade Maps

**Figure 2: Processed Food Imported by Kenya from the US and the rest of the world**

As shown in the figure above, Kenya's imports of processed food from both the US and the rest of the world have been growing. Kenya also exports products that it domestically produces and also re-exports which are products that it would have imported from other countries. Kenya re-exports about \$7.6 million worth of processed foods (CEIC, 2023; Africa Report, 2023, AfCFTA, 2023).

### South Africa



South Africa has an advanced food processing sector with more than 1,800 firms, despite the local production of processed foods in South Africa, it imported processed foods worth \$78.7



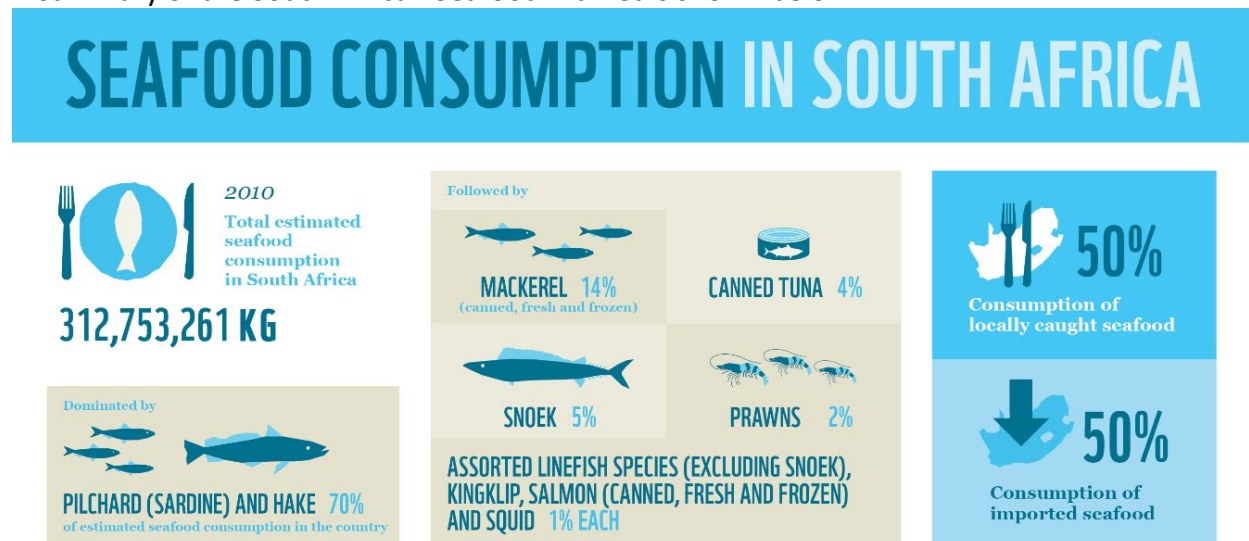
million from the US in 2022. The values exclude the value for tobacco products and alcoholic products. The figure above depicts the processed food import trends in the last three years. South Africa imported processed foods worth \$4.3 billion from the rest of the world. A \$78.7 million import bill for South Africa is an indication that there is a room for US imports despite the domestic production. Moreover, according to a report by USDA, this means there is demand for food ingredients - to feed into the food processing sector - an estimated 90% of which must be imported. The United States is already a reputable exporter of food ingredients to South Africa, and diverse opportunities exist to expand U.S. food ingredients exports in a wide range of categories.

## Market Intelligence Update

### South Africa

The market intelligence section will focus on the seafood market of South Africa and Nigeria.

A summary of the South African Seafood Market is shown below.



Source: SSAEI

The demand for fish and seafood is expected to double by 2050 in Sub-Saharan Africa. The factors driving the demand include population growth and local changes in affordability and trade and culture, but the volume of fish consumption has little to do with increased wealth. It is noteworthy that overall people do not usually eat more fish as they get richer, but the type of fish they eat may change. At low incomes, people consume fish and other seafood more if they are affordable. At high incomes, people eat fish if they have some sort of preference for it: health, sustainability, or just taste. In South Africa, there's been a definite shift in the interest for seafood products ranging from ready-made seafood meals to new upscale exclusive seafood ranges. Higher-earning South Africans consumers in South Africa are after niche offerings, such as specialty fish lines like salmon, sole, and king lip portions, as well as scallops and value-added lines like ready-crumbed mussels and crumbed/coated prawns. The demand for affordable



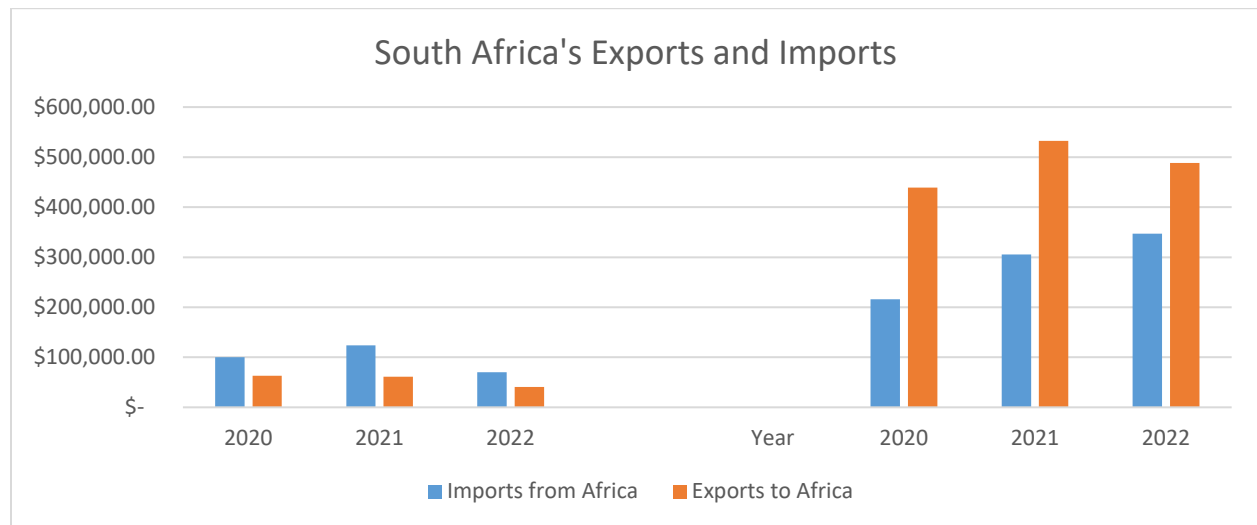
offerings has also increased. There is a higher demand for horse mackerel and snoek, the seafood of choice for lower-income households.

The key players in the South African industry are; Sea Harvest, I&J, Oceana, Pioneer Fishing and Atlantis Foods. The key players occupy various nodes of the seafood value chain which includes production, processing, distribution, in South Africa with some them vertically integrated.



South Africa produces seafood for both domestic consumption and export. However, it imports more seafood than it exports.

According to Market and Research 2020, 50% of the fish consumed in South Africa is locally produced thus having the rest of the demand met by import. The latest South African Association of Seafood Importers and Exporters (SASSIE), statistics, revealed that South Africa imported 25 million metric tons of seafood. A closer look at the values shows that in 2022 South Africa spent about \$346 million in seafood imports from the rest of the world, and about \$69 million from Africa. This implies that South Africa still imports a huge volume of seafood from outside its continent. Out of the seafood that was imported from the world, about \$8 million worth of seafood was imported from the US (Trade Maps, 2023).



Source: Trade Maps, 2023

As mentioned, South Africa also exports seafood, so to gauge if South Africa’s exports can dominate the African market, the current value of its exports to the continent and the rest of the world was considered as depicted below. In 2022, South Africa exported seafood worth \$40.6 million to other African countries which is less than the value of the seafood it imported of \$69 million (Trade Maps, 2023). This implies that South Africa still imports more than it exports therefore it cannot dominate the African market. Although investments are being put in place to expand the production of some seafood species to cut down on imports like tilapia, South Africa



still feels that it has a long way to go as compared to its counterparts as Egypt (FoodforMzansi, 2021).

### **Nigeria**

The most affordable source of animal protein in Nigeria is seafood. In 2021, the potential market size for fish was approximately 2.5 million metric tons, valued at \$3 billion. The species mostly consumed include Atlantic mackerel, horse mackerel, herring, and croakers. Catfish and tilapia are banned for imports into the country as they have the largest production. There is an opportunity for imports of seafood from US into Nigeria as consumption is increasing.

The Nigerian Investment Promotion Commission (NIPC) highlights “Food processing and preservation across the value chains of the sector” and “Livestock cultivation – dairy and aquaculture (fisheries) development” as part of the opportunities for trade and investments in the agricultural value chains in Nigeria.

### **TOP SHELF: US PRODUCTS SHOPPED IN AFRICA**

#### **South Africa**

There are a number of US products on the South African market both online shops and in-store. Some of the products include a wide range of beverages, candy, cereals, chips and snacks, chocolates, cookies, coffee, condiments, and detergents. In the last months, one of the successful US products on the South African market is the Prime hydration drink evidenced by the high demand even at a high market entry price and being sold out in less than two hours after its launch.



Prime Hydration drink caused a stir in the South African market in April 2023. The market entry price for the drink in South Africa ranged between \$20 and \$40.

On the 30<sup>th</sup> of April, 2023, one of the retail giants in South Africa, Checkers, launched the drink for \$2 in their retail stores and it got sold out within 90 minutes. Checkers, therefore, has become the official distributor of the hydration drink.

Though Prime Hydration does not include caffeine, it belongs to the class of sports drinks and energy beverages that are widely consumed in South Africa. Teenagers and tweens were found to be the primary consumers of Prime Hydration drinks, while males between the ages of 17 and 34 were shown to be the primary consumers of all energy drinks. The World Health Organization (WHO) claims that South Africans are among the world's heavy drinkers, making them significant consumers of energy drinks used as mixers (Mail and Guardian, 2022; News24, 2023). This experience shows that US goods with celebrity endorsements might enter the South African market with relative ease.



## Updates on Relevant Market Changes.

Phyto-sanitary requirements, quarantine and inspection procedures, customs clearance, documentation, labeling, labeling strategy, financing, shipping, and other considerations

### Relevant Regulatory Environment, Authorities, and Major Food Laws of Major Economies in Africa

#### Southern Africa: South Africa

The Food and Associated Industries Division creates the rules and specifications relating to quality and composition, packaging and labeling, processing facilities, and those handling and processing seafood products and canned meat products. Such seafood and canned meat products include canned meat and meat products, canned fish, frozen fish and frozen marine molluscs, rock lobsters, frozen shrimp/prawns, langoustines and crabs, smoked snoek, and live abalone. The regulation of these products is controlled by the National Regulator for Compulsory Specifications (NRCS) Food and Associated Industries Division.

Three (3) ministries are responsible for the development and oversight of food and agricultural products in South Africa. The specific divisions of each of these ministries that are related to processed food and/or seafood products are as follows:

- Department of Agriculture, Land Reform and Rural Development (DALRRD) – The related divisions responsible to DALRRD are Food Safety and Quality Assurance, Animal Health, Inspection Services and Agriculture Inputs Control.
- Department of Health (DOH) – The related division responsible to DOH is Food Control Division which establishes guidelines which implements municipal and food inspection at ports of entry.
- Department of Trade, Industry and Competition (DTIC) - The National Regulator for Compulsory Specification (NRCS), South African Bureau of Standards (SABS) inspect imported seafood and canned fish products in accordance with the Foodstuff Cosmetic and Disinfectants Act and issue health certificates accordingly.

The regulations that apply to the processed food and seafood include Labelling regulations, Packaging and container regulations, Food Additives Regulations, Pesticides and Veterinary Drugs Maximum Residue Limits (MRLs) Regulations.

In summary, imports into South Africa must also be supported by the following fundamental documents in addition to the import licenses, certificates, and sanitary and phytosanitary licenses listed in the FAIRS Export Certificate Report:

1. A commercial invoice that shows the price charged to the importer in addition to the cost of placing goods on board of the ship for export.
2. Bills of entry documentation that provide the correct physical addresses of supplier, storage facilities, correct quantities, grades and HS codes of commodities.
3. The Bill of Lading.
4. Insurance documents.



5. Other special documentation and certifications may be required by the importer, e.g., Laboratory results/certificates from approved/ accredited establishments or Organic Certifications if the product claims to be organic.

The import regulations do not apply to trade samples brought in for purposes of technical evaluation, provided the sample size is less than 100kg per commodity and /or the food is not offered for sale in the Republic of South Africa.

Basic Procedures for Importing Food and Agricultural Products into South Africa Source: DALRRD, DOH, registered with the South African Revenue Services (SARS) for customs and tax purposes. The South Africa (SARS), Animal and Plant Health Inspection Service (APHIS), Food Safety and Inspection Service (FSIS), and FDA (Food and Agricultural Import Regulations and Standards Country Report, 2023).

- Step 1: Market access assessment.
- Step 2: Find South Africa based importer.
- Step 3: Apply for import permit.
- Step 4: Apply for phytosanitary or health certificate.
- Step 5: Shipment and transportation of products.
- Step 6: Port inspections.
- Step 7: Customs clearance.
- Step 8: Release or detainment of shipment.

### Western Africa: Nigeria

The two main government agencies that are saddled with the regulation of product standards are the Standards Organization of Nigeria (SON) and National Agency for Food and Drug Administration and Control (NAFDAC). SON is the head standardization body while NAFDAC manages the production, trade, or sale of food, drugs, cosmetics, chemicals, detergents, medical devices, and packaged water. The tariffs are determined by the ECOWAS 2015 – 2019 Common External Tariff (CET). The CET has five bands as shown in the table below:

Tariff Item	Percentage
Capital goods and essential drugs	Zero duty
Raw materials	5
Intermediate goods	10
Finished goods	20
Strategic sectors	35

Additional charges like levies, excise, and VAT may apply which would make the final charge on imports above the basic in the table above. However, the total rate for each line item is not to exceed 70%. Mostly luxury items such as yachts, motorboats, and other vehicles for pleasure (75%), as well as alcohol (75% to 95%) and tobacco products (95%) get high tariffs. The National Agency for Food and Drug Administration and Control (NAFDAC) is responsible for the control of imported products. The following are basic importation requirements:

- Step 1: Payment Advice



Step 2: Submission of Documents for First Endorsement

Step 3: First Endorsement

Step 4: Joint Inspection of Consignment

Step 5: Second Endorsement

Step 6: Release of consignment

Nigeria's exports of dried and smoked catfish into the US were suspended in 2018 due to their failure to fully tackle information required in the self-reporting tool (SRT) within deadline. The ban does not appear to cover the Pacific Hake (*Merluccius productus*) species. Tinned fish in sauce (geisha)/sardines is one of the products that is ineligible for foreign exchange.

### Eastern Africa: Kenya

Kenya Fisheries Services is the authority saddled with the imports of seafood and related products into Kenya. Other institutions involved in the process of imports of agricultural and food trade are National Biosafety Authority (NBA), the Department of Public Health (DPH), Port Health Services Kenya, Bank, County Director of Fisheries, Kenya Trade Network Agency, Trade Facilitation Platform (TFP), Integrated Customs Management System (iCMS), Clearing agent, Kenya Bureau of Standards (KEBS), Directorate of Veterinary Services (DVS), Kenya Revenue Authority (KRA) and Handling Shed.

The required list of documentation and certification for importation into Kenya are shown in the table below.

A. Pre-Shipment Document	B. Post-Shipment Documents	C. Other Documents that may be required
<ul style="list-style-type: none"> <li>• Import Declaration Form (IDF) issued by the Kenya Revenue Authority (KRA)</li> </ul>	<ul style="list-style-type: none"> <li>• Certificate of Conformity (CoC)</li> <li>• Phytosanitary Certificate (PC) containing the required Additional Declarations for bulk commodities (corn, wheat, pulses, rice, sorghum, barley, etc.)</li> <li>• Non-Genetically Modified Organisms (GMO) Certificate</li> <li>• Bill of Lading (three original B/L plus non-negotiable copies)</li> <li>• Commercial Invoice</li> <li>• Packing List</li> <li>• Customs Entry Form</li> <li>• Certificate of Origin</li> <li>• Health Certificates (Cleanliness, Weight, and Quality).</li> <li>• Insurance Certificate.</li> </ul>	<ul style="list-style-type: none"> <li>• Fumigation Certificate.</li> <li>• Radiation Certificate.</li> <li>• Noxious Weed Certificate</li> <li>• Free from Karnal Bunt Certificate.</li> </ul>

The steps that should be followed in the import of processed fish in dry, chilled, and frozen forms;





Step 1. Import Permit

Step 2. Fish Health Certificate (from the country of origin)

### Steps in the import of Live fish

Step 1. Preliminary registrations, licenses (food hygiene license) & certificates - Inspection report, live fish movement permit, Train & register on the Trade Facilitation Platform (TFP) managed by the Kenya Trade Network Agency (KenTrade).

Step 2. Permits - Import permit for live fish (FD02), Local certificate of conformity (COC) and Import declaration form (IDF)

Step 3. Clearance – selecting an entry point (Jomo Kenyatta International Airport (JKIA), Moi International Airport (MIA), or Port of Mombasa). The requirements may differ depending on the port of entry.

Step 4. Procedures for a first-time trader.

## Activities Relating to WUSATA Events

This section shows some of the upcoming events that can be of interest to WUSATA between May and June 2023

### Food Safety Summit

Date: 30 May 2023 to 31 May 2023

City: Johannesburg, South Africa

Venue: Premier Hotel OR Tambo, Rhodesfield, Kempton Park

Email: [claudia@foodsafetysummit.co.za](mailto:claudia@foodsafetysummit.co.za)

### Africa's Big 7

Date: 19 - 21 June 2023

City: Johannesburg, South Africa

Venue: Gallagher Convention Centre

Web: <https://www.africabig7.com/>

### The 5th edition of Agrofood & Plastprintpack Ethiopia

Date: 08 - 10 June 2023

City: Addis Ababa

Venue: Millennium Hall

Web: <https://www.agrofood-ethiopia.com/>

### Agro - Dairy & Poultry East Africa

Date: 15 - 17 June, 2023

City: Kampala, Uganda

Venue: UMA Fairs Ground

Website: [www.mxmexhibitions.com](http://www.mxmexhibitions.com)



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USDA GAIN Report, 2023. [South Africa: Food Processing Ingredients](#)

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