TRADE AS A CATALYST FOR EXPANDING ACCESS TO FORTIFIED FOOD IN ESA (EAST AND SOUTH AFRICA)

gain
Global Alliance for Improved Nutrition

1. CONTEXT, OBJECTIVES AND METHODOLOGY

1.1. CONTEXT

ESA countries began implementing food fortification in the 1990s, starting with salt iodization and gradually expanding to include additional food vehicles. Today, of the 26 countries covered, 21 countries have mandatory fortification of salt, 13 of wheat flour, 10 of edible oil and maize flour, and 5 of sugar.

Despite this progress, micronutrient deficiencies remain widespread across Eastern and Southern Africa, with persistently high levels of iron, vitamin A, zinc, folate, and iodine deficiencies. Over recent decades, governments, development partners, and private actors have invested in fortification programmes, establishing national standards, supporting producers, and strengthening regulatory systems. However, the consumption of fortified foods across the region remains insufficient to significantly reduce micronutrient deficiencies.

In this context, **strengthening regional trade in fortified products should be explored** as a potential means to enhance their availability, ease of access, affordability, and desirability. Facilitating the movement of fortified foods across borders could help bridge domestic supply gaps where local production is insufficient, improve access in underserved areas, reduce costs through economies of scale and improved logistics, and expand consumer choice through a broader range of fortified products. Yet, the potential and desirability of such trade remain little studied.

1.2. OBJECTIVES

Altai Consulting was commissioned by GAIN to understand how regional trade can contribute to increased consumption of fortified foods in ESA by:

- **Clarifying key facts** about current trade dynamics for fortified food vehicles
- **Identifying the main barriers** that currently hinder trade
- **Assessing the desirability of** fostering trade in fortified foods
- **Highlighting concrete entry points and targeted opportunities** for action by governments and partners

1.3. SCOPE AND METHODOLOGY

The study covers 26 countries in ESA, based on the African Union's regional classification. The Democratic Republic of Congo (DRC) and Burundi have also been included because they are members of the East African Community (EAC) and are well integrated in regional trade flows.

The analysis focuses on five commonly fortified food vehicles that are subject to mandatory fortification in several ESA countries: salt, edible oils, wheat flour, maize flour, and sugar.

Data collection combined desk research and stakeholder consultations:

- **More than 30 interviews** conducted with experts from regional institutions, government bodies, food processors, business associations, GAIN offices, and micronutrient suppliers. These exchanges provided a comprehensive understanding of the situation faced by different categories of stakeholders

- **Review of international databases and secondary sources** including UN Comtrade, FAO, the Global Fortification Data Exchange, and national publications

- **Two online workshops** gathering over 100 participants from 15 ESA countries including local governments, donors, technical partners, food processors, business associations, and vitamin producers. The first focused on key findings and the desirability of fostering trade, while the second explored potential activities to support fortified food trade. Feedback from both sessions was integrated into the final analysis

2.CURRENT PRODUCTION AND TRADE DYNAMICS IN FORTIFIED FOODS

Regional trade in fortified foods remains limited in ESA, with most products produced and consumed locally. The situation differs significantly by food vehicle, depending on production capacity, market structure, and trade integration.

2.1. SALT

ESA as a region is largely self-sufficient in salt, supported by major producers such as Namibia, Botswana, Kenya, and Tanzania. Approximately two-thirds of salt consumed in the region is traded within ESA, one quarter is consumed in the country of production, and only about 10 percent is imported from outside the region. Given this strong regional base, facilitating the trade of adequately fortified salt should be considered a priority area of action.

2.2. EDIBLE OILS

Several types of edible oil are consumed across ESA. Palm oil accounts for around 41 percent of total oil consumption, followed by sunflower-seed oil (25 percent) and soybean oil (15 percent). Consumption patterns differ by country, with palm oil dominating in coastal and Central African countries, while sunflower and soybean oils are more common in Southern Africa.

The region is not self-sufficient in edible oils, although the situation varies by oil type. Local production and regional trade remain limited, and extra-regional imports dominate the market. About half of the oil imported into ESA is refined oil and 42 percent is crude oil from outside the region, while only 9 percent of total oil volumes (crude and refined combined) are traded within ESA. This heavy reliance on extra-regional imports constrains regional trade opportunities, particularly for palm oil, though there is potential to expand trade in regionally produced oils.

2.3. WHEAT FLOUR

The region depends strongly on wheat imports, mostly from Russia, Poland, and other global suppliers, with only Ethiopia and South Africa producing substantial volumes locally. While milling and flour fortification occur within most countries, trade in wheat flour remains very limited (around 1 percent of consumption). Working on wheat flour trade may therefore have a limited impact, given the very low volumes currently exchanged between ESA countries. However, a few notable exceptions exist in certain border areas where the nearest mill serving the region is located across the border. In these cases, facilitating cross-border trade would be particularly relevant, given the high cost of transporting flour over long distances.

2.4. MAIZE FLOUR

Maize flour is widely produced and consumed within domestic markets across ESA. Production is often managed by smallholders and processed locally, resulting in minimal cross-border trade. The short shelf life of maize flour further limits its long-distance transport. Small cross-border exchanges may occur at specific borders such as those between Zambia, Tanzania, and the Democratic Republic of Congo, but these remain marginal.

2.5. SUGAR

Sugar is produced in several ESA countries (e.g. South Africa, Ethiopia, Kenya, Malawi, Mozambique) **but mostly for domestic consumption.** In the five countries with mandatory fortification, fortification requirements are sometimes used as a tool to protect local industries from external competition. Intra-regional sugar trade accounts for only about 5 percent of consumption, with most imports coming from outside the region, primarily India and Brazil.

3.BARRIERS TO THE TRADE OF FORTIFIED FOODS

Three main categories of barriers to trade of fortified have been identified.

3.1. SYSTEMIC BARRIERS

Systemic barriers affect all traded goods, including fortified foods and are particularly challenging to address due to their complexity, interconnection, and multi-sectoral nature. They include:

- High transportation and logistics costs, resulting from limited infrastructure, high fuel prices, and local taxes.
- Difficulties accessing foreign currency, complicating cross-border transactions.
- Lengthy customs procedures and inconsistent documentation requirements, leading to high costs and long clearance times.

3.2. FOOD-VEHICLE SPECIFIC BARRIERS

Food-vehicle specific barriers are linked to the characteristics of individual food vehicles and how they are produced and traded. They vary from one food vehicle to another and often relate to industrial capacity, market structure, or protective trade measures. They include:

- Limited production capacity for certain food vehicles (notably edible oils).
- High import tariffs and trade bans used to protect domestic industries.
- Divergent food safety and certification requirements between countries.
- Unequal competitiveness between local producers and large international exporters.

3.3. FORTIFICATION-SPECIFIC BARRIERS

Fortification-specific barriers arise because of the fortification requirements themselves and do not apply to non-fortified food vehicles. They include:

- Differences in fortification standards and micronutrient levels
- Absence of a regional fortification logo or mutual recognition system for certification
- Limited testing capacity at borders
- Degradation of nutrients during storage and transport
- Complex import procedures for premix and fortificants

Recognizing these challenges, regional organizations such as the East African Community (EAC) and the Southern African Development Community (SADC) have undertaken efforts to harmonize fortification standards and regulations. Both blocs have developed regional guidelines and fortification standards, yet implementation remains incomplete and fragmented, with between four and thirteen different standards currently in use per food vehicle across the region.

4.DESIRABILITY AND STRATEGIC OPPORTUNITIES

4.1. DESIRABILITY

Many stakeholders recognize the potential benefits of strengthening regional trade in fortified foods. Greater trade within the region is widely seen as a means to enhance food security by lowering prices, improving the availability of fortified products in underserved areas, and reducing dependence on extra-regional imports. Several actors also view regional trade as an opportunity to build collective resilience and promote more efficient, interconnected markets.

At the same time, some stakeholders express differing views on how relevant or desirable such trade facilitation efforts are in practice. Public health authorities in some countries remain cautious, noting that imported products do not always align with national nutritional priorities. Small-scale producers and actors from less mature industries often advocate for protecting domestic markets from external competition, whereas larger processors and regional industry leaders generally support trade facilitation as a way to expand their reach. These divergent perspectives are further shaped by a broader regional trend toward national self-sufficiency in food production, which can limit the political and institutional appetite for deeper trade integration.

4.2. STRATEGIC OPPORTUNITIES

Different initiatives to support regional trade in fortified foods were discussed with stakeholders and explored during the workshops. Out of the initiatives identified, three attracted the most interest and were analysed in greater detail:

1. **Develop a QR code system** that allows customs officers to access inspection results directly from production sites, enabling faster clearance. This idea generated strong interest among stakeholders because it could reduce process inefficiencies caused by multiple testing, improve the quality of verification for imported products, and streamline border procedures

2. **Strengthen local fortified edible oil value chains:** A feasibility study in selected countries could assess oilseed production potential, local processing capacity, fortifiability of selected oilseeds, and the regulatory environment, with the goal of reducing regional dependence on imported oils

3. **Organise an innovative packaging challenge:** An innovation challenge could bring together advanced research and local start-ups to develop affordable, environmentally friendly packaging that preserves nutrients during transport and storage.

Additional initiatives discussed include facilitating access to foreign exchange for compliant producers, creating centralized platforms for trade documentation, establishing regional discussion groups on food safety regulations and standards, promoting mutual recognition of quality controls and compliance logos, and assessing customer journeys at border posts to streamline trade processes.

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