

AfCFTA

Implications to Sustainable Food Systems in Africa

“The proverbial visitors from Mars to planet Earth might have some difficulty understanding the way that earth dwellers connect food and trade. Food is the most basic need of these people, they might reason, yet they have subordinated this to the rules and regulations of international trade. They have elevated trade into a kind of God; nothing must interfere with it, not even food.....they may scratch their heads at why countries that are poor, with so many hungry people, seem to grow food quite abundantly on their land. But - and this is where the real puzzle sets in, countries that have millions of hungry people are exporting food to countries where people are already well fed..” (Madeley, 2000).

Background

The development landscape in Africa is full of paradoxes! While Africa is home to over 60% of the world's uncultivated arable land,

it also has about 868 million moderately food-insecure people, with more than one-third of them (342 million people) severely food-insecure (FAO, AUC, ECA, WFP, 2023). Another paradox is that there is

surplus production in some countries and net food import dependence in others at the same time. The continent has one of the highest levels of food import dependency recorded at \$75 billion each year for cereals alone and could reach \$90 billion annually, even though most of the food imported could potentially be grown domestically (AfDB, 2023). What is more concerning is that much of Africa's food imports are from outside Africa, with intra-Africa Agriculture trade remaining low at 20%, compared to intra-European Union Agricultural trade which is at 60% (FAO, 2020). This has not only increased financial haemorrhage outside Africa but has also perpetuated the continent's food insecurity.

To address this contradiction, African Union Member States have, under the Comprehensive African Agricultural Development Programme (CAADP), committed to increasing food security by boosting tripling intra-African trade in agricultural commodities and services by 200% in 2025 (AUDA-NEPAD, 2023). This commitment is reinforced by the Malabo Declaration on Accelerated Agricultural Growth and Transformation which aims for Africa to end hunger by 2025 through among other actions, fast-tracking the establishment of the African Continental Free Trade Area (AfCFTA) and transition to a continental Common External Tariff (CET) scheme (African Union, 2014).

While the above are commendable initiatives, Africa's agriculture ecosystem is confronted with another paradox of promoting the rights of smallholder farmers—who produce over 80% of food consumed in Africa (Kamara, Conteh, Rhodes, & Cooke, 2019) amidst the increasing domination of agriculture supply chains (farming, input suppliers, processors and distributors) by big seed and food corporations. This contradiction is further complicated by the

fact that current economic policies, agreements and initiatives being pursued at continental and national levels are consolidating the powers of food and seed corporations with little safeguard measures for promoting the rights of smallholder farmers. Moreover, this has disrupted agroecology and farmer-managed seed systems (FMSS). This is the context under which the AfCFTA has been launched. Moreover, the recent MoU between AGRA and the AfCFTA Secretariat aimed at fostering agri-food trade and agro-industrial development exacerbates these challenges by giving multinational corporations significant influence over AfCFTA's policy direction while sidelining smallholder farmers.

While a well-crafted AfCFTA and its IPR Protocol can promote sustainable food systems in Africa while boosting intra-African trade in agricultural goods and services, this can only be attained through a standalone Annex on farmers' rights, FMSS, and seed sovereignty within the IPR Protocol. This factsheet provides insights into the potential opportunities and threats of the AfCFTA to food security in Africa.

Will the AfCFTA Promote Sustainable Food Systems in Africa?

Whereas the preamble and objectives of the AfCFTA promote agricultural development and food security, these are the only explicit mentions of agriculture in the main agreement text. These goals are viewed as achievable through an industrial model of agriculture led by a few seed and food corporations, rather than the over 200 million smallholder farmers and agroecological entrepreneurs in Africa (AFSA, 2024). For food and seed corporations promoting the industrial agribusiness paradigm, the AfCFTA presents immense opportunities by creating a liberal market for further

expansion and consolidation of control over food and seed systems in Africa.

However, the frequently cited simulations on the benefits of AfCFTA to agriculture are flawed, as they overlook the inherent danger of the agreement benefiting only a handful of smallholder farmers while corporations reap most of the rewards. While the AfCFTA could potentially increase intra-African trade in agriculture by 574% by 2030 if tariffs and non-tariff barriers are eliminated (WEF, 2024), there is no guarantee that smallholder farmers and agroecological enterprises will benefit due to the existing oligopoly in the continent's food and seed market.

- **Premature liberalization threatens sustainable food systems:** The AfCFTA could potentially address this issue by committing to progressively liberalize over 97% of product tariff lines, facilitating the movement of agricultural products among AfCFTA State Parties. In theory, moving food from surplus to deficit areas could reduce Africa's high levels of food import dependency, recorded at US\$75 billion a year for cereals alone (AfDB, 2023). While this could provide a market for agroecological enterprises, existing preconditions like a complex standards system and the lack of a simplified trading regime to support territorial markets create a trading environment that excludes smallholder farmers and agroecological enterprises. The blanket 97% threshold of tariff liberalization coupled with weaker safeguard measures that State Parties can invoke to protect smallholder farmers and agroecological enterprises creates a loophole for seed and food corporations to control the supply chain and market. marginalizing smallholder farmers and agroecological enterprises.
- **Privatization of seeds through patents and Plant Breeders' Rights (PBRs):** Under

Article 8 of the AfCFTA IP Protocol, state parties must protect new plant varieties through a legal system that includes farmers' rights, PBRs, and rules on access and benefit sharing as appropriate (African Union, 2024). However, this provision acts more as a guideline, allowing member states to apply it as they see fit, which perpetuates the status quo due to the influence of UPOV (GRAIN & Coulibaly, 2023). As Thomas Sankara famously warned, "he who feeds you controls you". In this context, there is an underlying danger of leaving Africa's seed and food systems in the hands of profit-oriented corporations which could deepen corporate control and impoverish farmers.

- **AfCFTA Rules of Origin (RoO) risk enabling corporate capture of Africa's agricultural value chain.** Cumulation aspects of RoO have been designed to allow countries to import seeds from third parties. Poorly designed RoO may disrupt FMSS and affect market access for supply chain actors, increasing dependence on imported seeds. This could lead to the displacement of small-scale farmers directly or forcing them out due to increased competition (Tiba, 2023).
- **Risk of food scandals:** By facilitating corporate dominance in the agricultural supply chain, the AfCFTA may increase the risk of food scandals and cross-border contamination of food and seed, leaving consumers vulnerable to fraudulent actions affecting food safety. Moreover, the lack of a Simplified Trading Regime (STR) in the AfCFTA limits the participation of informal cross-border traders in territorial markets, who typically trade in agricultural products. Without an effective STR, small supply chain actors and agroecological enterprises may be marginalized, exacerbating inequalities in AfCFTA benefits distribution among State Parties and citizens.

- **Competition with imported goods:** Open markets under trade agreements like the AfCFTA can increase competition for imported goods, pressuring agroecological farmers who prioritize sustainable practices over immediate yields. Experience has shown that Trade liberalization inherently favours food and seed corporations often at the expense of millions of smallholder farmers (Madeley, 2000). With its core focus aimed at increasing intra-African trade in food rather than sustainable food systems, the AfCFTA risks acting as a food import rather than a food sovereignty facilitating agreement.
- **Risk of Environmental Degradation and Land Use Changes:** The need for AfCFTA State Parties to increase their trade share under the AfCFTA could lead to more intensive land use for export-oriented agriculture, particularly monoculture production, which often requires high inputs of chemical fertilizers and pesticides. Currently, while the average fertilizer application rate in Africa is 22 kgs per hectare (significantly lower than the global average of 146 kgs per hectare), the costs of even this limited fertilizer application are continually rising in terms of erosion of soil health (Goodman, 2023). Increased use of fertilisers by corporations to meet the supply quotas under the AfCFTA could eventually contribute to environmental degradation, including soil erosion, water pollution and loss of biodiversity, thereby undermining biodiversity, a critical pillar for sustainable food security in Africa.
- **Risk of State Parties Trading Themselves to Food Insecurity:** Trade liberalisation under the AfCFTA may cause the majority of Africans, especially in the vulnerable economies to go hungry and starve. This may be as a result of several scenarios. First, AfCFTA State Parties that might have fed themselves will likely prioritise food exports to other better-fed State Parties given the economics of purchasing power, unless policy interventions to safeguard countries from trading themselves into food insecurity are enacted and implemented. Secondly, with trade liberalization under AfCFTA concentrating powers in transnational corporations (food and seed in this case), smallholder farmers will be unable to compete and risk being driven off their land, leaving the door wide open to the corporations. Unless tackled, both scenarios will exacerbate food insecurity on the continent.
- **Exclusion of informal cross-border traders risks food insecurity:** The lack of a Simplified Trading Regime (STR) by the AfCFTA while allowing big actors to trade will limit the participation of informal cross-border traders who usually trade in agricultural products. The *raison d'être* of the STR is to facilitate small-scale cross-border trade, by way of simplified clearance procedures (such as forgoing the requirement for a certificate of origin) for low-value consignments (for example, usually less than US\$2,000) on applicable products. Whereas there are claims that the AfCFTA Women and Youth in Trade Protocol can act as an STR, a clear read of the protocol reveals its limited integration of the *raison d'être* of a STR. This is likely to lead to the marginalisation of small supply chain actors in agricultural trade and propel inequalities in the distribution of AfCFTA benefits among State Parties and citizens.
- **Erosion of Farmer's rights to seed:** To build a sustainable food system, it is necessary to safeguard farmers' rights to indigenous seed varieties from erosion by corporate-controlled hybrid seeds. However, a careful read of the AfCFTA IPR protocol reveals that it lacks biosafety provisions

which would guarantee smallholder farmers' right to maintain and control their own seeds while protecting FMSS from Genetically Modified Organisms (GMO) contamination. AfCFTA IPR Articles on Genetic resources, Protection of New Plant Varieties, Traditional Knowledge, and Transit among others all contain provisions which prioritize rights of corporate plant breeders over those of smallholder farmers. As few mechanisms to safeguard farmers are implemented by AfCFTA State Parties, these risks ushering in a regime where farmers depend on corporations for seed, ultimately eroding of farmer-managed seed systems. This will have a direct negative bearing on food security in Africa.

Changes to Make the AfCFTA and its IPR Protocol More Supportive of Sustainable Food Systems

- Regionalization of food and seed systems must prioritize ecological sustainability and social equity, focusing on localization and agroecology rather than merely creating long value chains vulnerable to disruptions.
- Articles 5 (MFN Treatment) and 6 (National Treatment) of the IPR Protocol should include stronger safeguard measures to prevent the flooding of markets with cheap, commercially produced seeds and food, which could undermine FMSS and seed sovereignty. These articles should ensure fair treatment of goods without promoting trade in cheap commercial seeds at the expense of local varieties.
- The AfCFTA IPR Protocol is not explicit on farmers' exceptions and does not account for the varying definitions of farmers' rights to seeds across African countries. The proposed Annex to Article 8 should specify and strengthen the language on farmers' rights to ensure they are protected.
- Promote Capacity-Building Efforts for Smallholder Farmers: Stakeholders should demand commitments by State Parties to ensure training, co-creation of knowledge, and material support for farmers engaged in Farmer Managed Natural Regeneration and community seed banks.
- Review the RoO provisions on cumulation to prohibit State Parties from importing seeds from third parties. This is because poorly designed RoO may disrupt FMSS and affect market access for supply chain actors, increasing dependence on imported seeds.
- To achieve seed biodiversity and promote innovative FMSS, the proposed Annex to Article 8 must provide voluntary measures to protect farmer seed varieties not meeting commercial PVP criteria and be guided by the AU Model Law on the Protection of Cultural Property and Heritage.
- **Advocate for the Integration of the UN Declaration on the Rights of Peasants and Other People Working in Rural Areas (UNDROP):** The UNDROP should guide a rights-based approach to seed and food system development while implementing the AfCFTA. Article 19 of the UNDROP provides specific guidance on rights to seed, genetic diversity, traditional knowledge, benefit-sharing for the use of plant genetic resources, decision-making rights, and state support for these systems. Given that every African country voted for the approval of the UNDROP, it should be a guiding framework for developing the Annex or Protocol.

Conclusion

Under their current design, the AfCFTA main agreement and the IPR Protocol cannot promote sustainable food systems. Unless the AfCFTA is reviewed to adopt a farmers'

rights, FMSS, and food sovereignty approach, the long-term implications of corporate expansion will likely displace and replace millions of farmers. A farmers' rights, FMSS, and seed sovereignty approach in AfCFTA review and implementation can help consolidate these gains for smallholder farmers.

Therefore, State Parties should ensure inclusivity by ensuring that smallholder farmers who form the core of Africa's seed and food systems and agroecology are not just merely integrated into AfCFTA trade and investment opportunities, but rather ensure that they are safeguarded from the profit-seeking agricultural corporations, whom, as history has shown, if not regulated, cannot coexist with smallholder farmers. This is critical in order to attain the aspirations of the African Union Agenda 2063, United Nations Sustainable Goals (SDGs), CAADP, and Malabo Declaration on Accelerated Agricultural Growth and Transformation.

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