Executive Summary

The Organic agriculture sector has been growing rapidly in East Africa, alongside a growing trend of consumer awareness and demand for organic produce. The majority of organic products from Kenya, Tanzania and Uganda are destined for markets in Europe and North America. Meanwhile, organic cross-border trade within the region is extremely low, despite considerable demand. This is considered to be largely due to poor coordination between the EAC member states, resulting in higher trade costs, and dissatisfied consumers. It is recommended that the East African Community work to promote the organic sector and to strengthen coordination, through the use of public authorities mandated to support organic operators and through the promotion of regional organic trade. Trade in particularly advantageous crops in each country would be especially effective.

Introduction

A regional study implemented in 2015 by Tanzania Organic Agriculture Movement, funded by Trade Mark East Africa Challenge (TRAC) Fund, set out to unveil the policy barriers constricting regional trade in organic produce. One of the major findings was that there is a lack of support from the public sector. The absence of organic agriculture policies in each of the three countries studied (Kenya, Tanzania and Uganda) and lack of interventions to encourage better coordination are indicators of this. Despite the lack of public support, the production side of the sector has flourished. This is mainly due to civil society and private sector initiatives. Year on year growth in the sector has far outstripped national growth in each of the countries’ economies. But trade in organic produce within the region however is virtually non-existent.
Problem Statement

According to IFOAM (FiBL & IFOAM, 2015) East Africa has over 350,000 organic certified farmers. To put this into perspective, there are more organic producers in Tanzania, Kenya and Uganda combined than in the whole of Europe, or North America. Currently however, the produce grown by these farmers is mostly being sold into markets outside Africa. For an East African Community looking to foster solid intra-regional economic growth, the organic sub-sector must not be ignored.

At the same time, demand for organic produce by consumers in the region is on the rise. These consumers say that they can’t find organic produce. The few organic outlets in the region, like farmers’ markets, operate infrequently. Without adequate regulation in place, produce may be sold by ill-informed or dishonest traders as ‘organic’ but they are not able to substantiate their claim with evidence or certification. The chain linking producers and consumers of organics in East Africa is broken.

An analysis of the sector in Tanzania for instance shows that the North of the country has a concentration of organic production of coffee and cotton. The coffee and cotton farmers also grow other secondary crops like green grams and beans, which also qualify for organic certification. These organic farms are close to Tanzania’s borders with Kenya and Uganda. This means easy trade routes with low transport costs. Tanzania is not alone in this respect.

Another rationale for cross border regional trade is an environmental one. A study by the University of Alberta found that while organic food is healthier for consumers than conventional produce, it is often traded over long distances, with increased food miles / carbon footprint. Cross border trade provides a much lighter carbon footprint than imports of produce and chemical inputs from outside Africa. The public sector could do much more to develop and exploit the aforementioned opportunities to grow regional organic trade.

Case for Change

In Uganda, in the absence of concrete policy on organic agriculture, two public authorities have been tasked with promoting the sector. The Uganda Coffee Development Authority has set a target that 10% of coffee farmers shall be organic, and the Uganda Export Promotion Board has assisted in promoting trade fairs and trade missions. By mandating these two national authorities to support the organic sector, the Ugandan state has shown a useful way forward for the region.

A key recommendation for state action is the recognition and support for one or two ‘advantageous’ crops in each country. In this case, an advantageous crop is one that the nation can produce organically in large quantities and can trade within the region at comparative advantage.
Advantageous Crops for East Africa

Kenya

Macadamia is a high value nut, grown widely in Kenya without the use of synthetic inputs. The organic sector has been very successful in supporting and encouraging Kenya’s macadamia farmers to follow organic practices and achieve certification. Making organic the standard for macadamia production in the country was recommended as part of a Kenyan study on national policy gaps to organic production and trade.

Uganda

In Uganda, fruits are a large component of organic exports. In particular, organic producers in Uganda grow apple bananas, pineapple and passion fruit for markets in Europe. Demand is high for these exotic products, and processors in Uganda add value by drying and packaging them ready for retail sale. Growers of these fruits would benefit from easier access to cross-border regional trade, as operators complain of freight costs as high as 60% being levied on exports to Europe.

Tanzania

In Tanzania, organic cocoa and green grams are advantageous crops. Organic cocoa production is concentrated mainly in one district, Kyela where several large trading companies are based. Organic green grams are produced as a secondary crop by most of the nation’s organic cotton farmers, centred in Shinyanga, with easy access to the northern borders. The growing Kenyan market for organic food is an obvious opportunity for these well placed producers, while their organic farming practices ensures an easy route to certification.

Fostering conducive trade agreements would be a strategic way of kick-starting cross border organic trade within the region. Crops have been identified in each member state that have comparative advantage for production and trade. These should be promoted through trade missions, exhibitions and ultimately trade agreements between nation states to concentrate production and trade of certain advantageous organic crops in respective countries. The EAC should also provide support to establish strong and sustainable value chains of these advantageous crops at every level.
Conclusion

East Africa has developed an enormous base of organic producers. The region is also experiencing a growing wave of consumer demand for organic produce. However, a lack of coordination means that the vast majority of organic produce from the region is only being exported to international markets like the USA and Europe. As a result, East African consumers find it difficult to source organic food from the region, and organic producers struggle to connect to the regional market.

This coordination problem can and should be addressed by the East African Community. By supporting trade missions for advantageous crops, and mandating regional bodies with the task of nurturing organic trade, the EAC can strengthen organic trade within the region, and fully realize the gains of the rapidly growing sector.

Policy Recommendations

1) The EAC should identify and promote organic trade in the region’s ‘advantageous crops’ through trade missions, exhibitions and by fostering trade agreements.

2) Support should be given to actors at each level of the value chains for the ‘advantageous crops’.

3) Regional authorities should be mandated with the task of promoting trade in organic produce.

References