Senegal – Challenges of Diversification and Food Security*
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- Rice production in the Senegal River Valley has high development potential and could contribute to domestic food security.
- Horticultural production has been leading Senegal’s efforts to diversify its agricultural export structure, although its domestic market potential has not yet been fully exploited.
- In both the rice and horticultural sectors, the challenge is to take into account the needs of smallholder farmers and help them to explore domestic market opportunities.

The high agricultural potential of Senegal continues to impress visitors, including Jean-Michel Severino, Head of the French Development Agency (AFD). “The surging demand for agricultural primary materials in the world market will provide new income-generating opportunities in Senegal,” he said on his visit to the Senegal River Valley in February 2008. The valley is known as the Senegalese rice granary.

He was referring to the call by Senegalese Prime Minister, Cheikh Hadjibou Soumaré, to tackle the country’s structural problem of high dependence on food imports, especially rice. Turning attention to domestic market potential marks an important change in Senegal’s agricultural policies which have been centred on traditional export promotion (e.g. groundnuts) since the 1960s.

**Beyond Traditional Export Crops**

Exports have been a major driver of Senegalese agriculture. But a decade of sluggish sales of groundnut products and a deepening crisis in the fisheries sector have reduced the contributions to GDP of the traditional agricultural export sector. By contrast, the fruit and vegetables sub-sector has done well since the 1994 devaluation of the CFA. Production of rice, maize and manioc has also increased (7.8 per cent in 2001-05 for rice) in recent years to meet rising domestic demand in urban areas.

Horticulture has ranked as the greatest hope for the future of Senegalese agriculture since the early 1990s, as a recent surge in foreign direct investment in the export-oriented horticultural sector proves. Compagnie Fruitière, a French horticultural import company, for example, has set up a new production base investing USD 9 million between 2003 and 2005. Its subsidiary, Grands Domaines du Sénégal (GDS), has been rapidly increasing its production and export capacity of cherry tomatoes and green beans to Europe.

This has helped Senegal obtain 10 per cent of the market share for cherry tomatoes in Europe, after Israel and Morocco. In 2007 Senegal exported 18,000 tonnes of fresh vegetables, bringing in USD 20 million of export revenue. The government’s 2007 trade statistics show, however, that export revenues from five major agricultural products (fish, shellfish, groundnut oil, cotton and fresh vegetables — USD 448 million in total) barely covered the costs of rice imports (USD 400 million) (see Figure 8.1).

More than 80 per cent of domestic rice consumption in Senegal between 2001 and 2005 depended on imports, which made Senegal the world’s tenth largest rice-importing country (third in Africa) in 2006 (Africa Rice Centre, 2007). In 2005, the government of Senegal launched a new objective: to be self-sufficient by 2012. Production will need to increase six-fold from 150,000 to 1 million tonnes.
Emphasis on Domestic Markets, but Smallholders Neglected

Renewed attention to domestic rice production is supported by the domestic market. Figure 8.2 shows that imported rice was much more expensive than the domestic product during the first half of 2007, but this price gap has since almost disappeared. The price of domestic rice has adjusted to that of imported rice. This is good news for local rice producers, the majority of whom are small-scale farmers.

Figure 2: Evolution in Price of Imported and Local Rice in Domestic Markets

Increasing domestic rice production needs more attention to be paid to the role of small-scale rice farmers who have been facing constraints in seizing business opportunities. The experience of the Senegalese export-oriented horticultural sector recalls that market opportunities favoured big players in the end. “A decade ago, 80 per cent of Senegalese horticultural produce originated from small and medium producers,” says Julienne Kuiseu, who works on a Food and Fairness project in Dakar. Today their role has been declining. With significantly fewer production and marketing assets (e.g. land, technology, finance, business know-how and human networks), smallholders see that their chance to seize opportunities in horticultural business is limited.

Contract farming used to be one way that small horticultural growers could take part in the export value chain. However, major operators, such as Safina and SEPAM, stopped working with small-scale out-growers for traceability, food safety and hygiene reasons. Eventually it turned out that large operators preferred investing in a fully independent farming system. Currently seven major large-scale private operators account for 75 per cent of Senegalese horticultural exports.

Without help many small horticultural growers would not be able to meet the costs of complying with the legal and market requirements of the OECD markets, and would simply withdraw from the horticultural export sector altogether. How can Senegal avoid repeating this failure and promote small-scale rice farming?

Tackling the Whole Domestic Agricultural System

What is needed is a coherent domestic agricultural production system, with high complementarity over multiple crop production. Throughout the seasons of agricultural production, farmers in the Senegal River Valley should engage in harvesting rice and horticultural products destined for both export and domestic markets. As a business planner, they should set strategies to maximise input provisions, marketing know-how and finance. This aspect has not been sufficiently covered by either the government or donor supports until very recently.
Senegal’s Agricultural Markets and Agribusiness Development Project (PDMAS, 2006-2015), supported by the World Bank, marks the first effort to tackle this complexity of domestic agricultural production, as specifically practised by smallholder farmers. PDMAS has learned lessons from its previous Agricultural Exports Promotion Programme (PPEA, 1998-2004), which targeted only medium and large-scale export-oriented horticultural producers. The experience of the PPEA has demonstrated that the value chain concept applied originally in the Niayes region (the coastal zone between Dakar and Saint-Louis) could also be useful to small-scale farmers targeting domestic markets. This has been taken as a lesson for PDMAS.

The value chain concept, which covers the whole agricultural value chain from inputs to production, processing and marketing, matches the needs of smallholder farmers. For example, rice producers in the Senegal River Valley produce onions in the off-season (against imported European ones) and tomatoes (to export to Europe) in order to purchase seeds and fertilisers for rice production. Technical and financial support to their horticultural production activities would indirectly encourage their domestic rice production as well.

Promoting horticultural production would not contradict the government’s policy of increasing domestic rice production, if the government took fully into account smallholder farmers’ needs to work on multiple crops and explore domestic markets.

Reference:

AFRICA RICE CENTRE (WARADA) (2007), Africa Rice Trends: Overview of Recent Developments in the Sub-Saharan Africa Rice Sector, Africa Rice Centre Brief, Cotonou.

Further reading:


Five detailed case studies (Ghana, Mali, Senegal, Tanzania and Zambia) are available at: www.oecd.org/dev/publications/businessfordevelopment

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