

**SENEGAL**



**OVERVIEW OF RICE PRODUCTION**

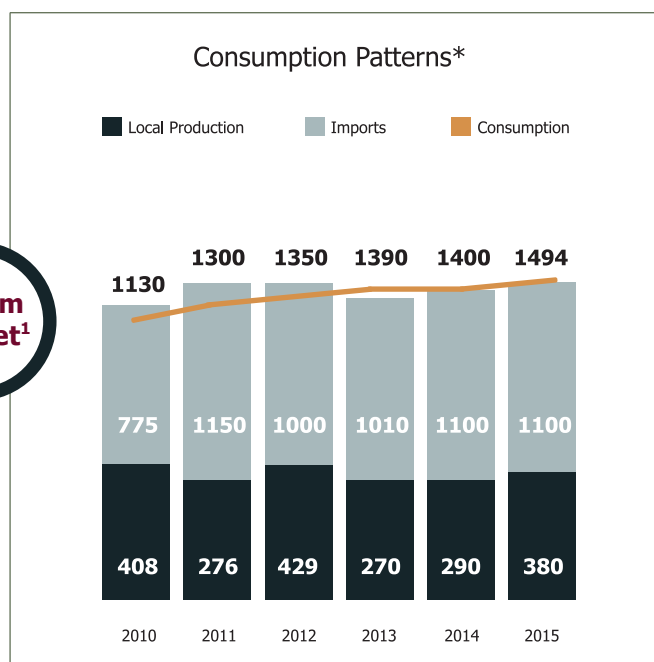
Rice consumption in Senegal is approximately 1.5million MT pa. The Government of Senegal has a national policy to increase local rice production to reach self-sufficiency at 1 million tons of paddy rice by 2017. Only 5% of Senegal farmland area is irrigated. Rice imports is over 1million MT pa. Local rice is well represented in Dakar, the capital city. It is sold by bag of 50 kg or 25kg by using rice importers and wholesalers distribution channels.

<b>1.5 million MT</b> annual rice consumption	<b>380,00 MT</b> local domestic production
<b>1.1 million MT</b> annual rice imports	<b>107kg per capita</b> consumption
<b>27%</b> self sufficiency ratio	<b>\$420/MT<sup>1</sup></b> price per tonne

**\$630m market<sup>1</sup>**

**CONSUMPTION PATTERNS**

There has been a shift from millet to rice consumption by middle income households. Fragrant rice is preferred and sold in small packages of sizes 1 kg and 5 kg. Customers who cannot afford to buy 50 kg variant of fragrant rice may purchase small packages on special occasions.



SOURCE: FAOSTAT, USDA FAS GAIN Report, Team analysis

<sup>1</sup> Estimate assuming 2015 milled rice price and 20% import duties and charges

## OVERVIEW OF RICE PRODUCTION

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### INDUSTRY CHALLENGES

GOS has the responsibility to regulate the market for many staple foods including rice, sugar, cooking oil. In April 2012, GOS fixed maximum prices for rice sold in the local market in reaction to international price increases. Today, prices are lower than maximum prices fixed by the GOS in 2012.

### LOCAL PRODUCTION AND IMPORT SOURCES

Imports have historically exceeded domestic production making up over ~70% of supply. India is top supplier with ~60% import share, followed by Brazil (14%) and Thailand (11%). Indian rice is cheaper than that of other supplier countries. Local rice is 12% more expensive than Indian rice.

### VALUE CHAIN ANALYSIS

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PRODUCTION	PROCESSING	END USE
<ul style="list-style-type: none"><li>• <b>Low usage of fertilizers</b> by farmers leading to unpredictable, low yields</li><li>• <b>Lack of mechanization</b> – hardly any tractors used in land clearing</li><li>• Farmers lack of access to credit and high yielding seed varieties</li></ul>	<ul style="list-style-type: none"><li>• <b>Inefficiency of paddy processing</b> due to difficulty in sourcing sufficient quantity of good quality of paddy rice to maintain milling facility at full capacity for efficiency</li><li>• <b>High costs of transportation</b></li></ul>	<ul style="list-style-type: none"><li>• <b>Local rice is sold through importers and wholesalers' distribution channels</b></li><li>• <b>Inefficiency of collection and distribution of rice</b> due to poor infrastructure, bad roads etc</li></ul>

SOURCE: FAOSTAT, USDA FAS GAIN Report, Team analysis

## OPPORTUNITIES FOR VALUE CREATION

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<b>Production</b>	<ul style="list-style-type: none"><li>• Major potential in land suitable for growing rice, and abundant rainfall.</li><li>• Improve productivity of farming: Investment in high-yielding, disease resistant, short-duration varieties will improve yields on the farmlands.</li><li>• Land tenure law favourable for farmers to increase operations.</li></ul>
<b>Processing</b>	<ul style="list-style-type: none"><li>• Investment in productivity enhancements: Investment in scalable milling, scaling, threshing technologies in processing will increase income for the value chain.</li><li>• Invest in irrigation facilities (currently &lt;5% of farmland) to reduce dependence on rain-fed farmland.</li><li>• Invest in scalable technologies for land clearing, harvesting, planting.</li><li>• Explore solar energy driven processing to drive down production cost and leapfrog infrastructure challenges.</li></ul>
<b>Distribution</b>	<ul style="list-style-type: none"><li>• Invest in high-technology storage facilities across different regions to facilitate efficiency of distribution and logistics.</li></ul>
<b>Marketing</b>	<ul style="list-style-type: none"><li>• Enhance public perception of locally produced rice by highlighting nutritional benefits and quality of eating unpolished rice to up sales.</li></ul>

SOURCE: FAOSTAT, USDA FAS GAIN Report, Team analysis

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