

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Cote d'Ivoire

Grain and Feed Annual

2018 Rice Annual

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Report Highlights:

Production for MY 2018/19 is projected at 1.45 million metric tons (MMT) based on minor increases to both area and yield. Since 2008, Côte d'Ivoire has pursued policies to become self-sufficient and eventually a regional exporter, but remains a major importer of milled rice from various Asian suppliers. MY 2018/19 imports are projected at 1.3 MMT. Import demand is expected to continue rising steadily in the short term to account for population growth and shifts from traditional staples. Overall, Post is recommending downward revisions to import and consumption figures based upon previously unaccounted transshipments to neighboring countries, and informal trade of domestic paddy rice across borders. U.S. rice exports to the region struggle to compete with Asian suppliers, particularly in recent years as low-priced Chinese exports entered the market.

Production:

Rice production in Côte d'Ivoire for MY 2018/19 is projected at 1.45 MMT, assuming normal conditions and a small 1.5% area increase. The country is pursuing policies to improve domestic production through improved seeds and inputs, as well as better access to mechanization. Increasing area through the exploitation of flood zones in the country's northwest is also a stated priority of the Government of Cote d'Ivoire (GOCI). In recent years a lack of funding, poor access to inputs, limited processor capacity, and low market prices have decreased farmer interest. As a result, Post does not anticipate major upward shifts in area or yield in the immediate term. MY 2017/18 rice production is estimated at 1.377 MMT based upon official government statistics. While MY 2017/18 area is estimated to be down about 4% from the previous year, yields reportedly improved from MY 2016/17 when a lack of rainfall impacted productivity. Under normal conditions, the national yield is about 2.4-2.5 tons/hectare (ha) of paddy rice.

Rice is grown throughout the country in both rain-fed and irrigated systems, although rain-fed or upland is by far the most common. The limited irrigated production is practiced in low-lying areas around embankment dams with canal systems that project outward. Planting and harvesting can vary widely throughout the country's different zones. Non-irrigated upland rice is typically planted between April and June, and then harvested between October and December. Further south, planting and harvesting occur about a month earlier than in the north. These periods will fluctuate year-to-year based upon rainfall patterns. The production that occurs in irrigated or flooded areas around rivers may differ from this calendar, not necessarily in any coordinated manner, and also depends upon that particular area's rainfall patterns.

The largest producing areas are concentrated primarily in the country's western regions, but the northern and central districts also account for significant production. Areas in the west of the country around Man, Daloa, and Gagnoa account for nearly half of national production, while areas in the North and Center around Bouaké, Korhogo, Odiénne, and Yamassoukro account for about a third of national production. While these regions of the country are considered to be the primary rice-growing areas, rice is grown in all areas of the country, and GOCI and local actors struggle to precisely estimate each region's share of national production. Approximately five percent of planted area is irrigated, and accounts for twenty percent of production. Commercial farms are not common, and rice is primarily cultivated in highly fragmented smallholdings no more than 1-2 ha.

Poor infrastructure and limited producer organization makes efficient aggregation of domestically produced rice at farm gate very difficult. On average, small scale domestic producers will sell not much more than half of their rice harvest into the broader supply chain, preserving the remainder for household consumption or for sale in their immediate communities. The producers may also sell small quantities of their harvest throughout the year in response to household expenses, or in some cases to take advantage of price movements.

There are a number of rice varieties being cultivated domestically, all of which are long grain. They include multiple rain fed varieties such as Nerica (Asian/African hybrid), IDSA (Fafa/Guegbin), IRAT, and WAB (Gblagnin), and irrigated/flooded varieties such as Bouake 189, WAB (Akadi), and WITA varieties (from Nigeria) developed by domestic and regional actors. There are additional local varieties, mostly upland, that are currently under cultivation. In the north, the Brazilian variety Iguape Cateto and a new regional variety dubbed Orilux also appear to be gaining in popularity.



Irrigation canals from earth dam (left) and planting of small canal-fed plots (right), Savannes District

Consumption:

Post projects domestic consumption at 2.55 MMT in MY 2018/19, a 2% increase from the MY 2017/18 estimate of 2.5 MMT, based on population growth and a continuing shift from traditional staples to rice. Overall, this represents a downward revision from official USDA figures. Due to a number of trade flows that are not captured in official statistics, a sizeable amount of regional trade is occurring between Côte d'Ivoire and its neighbors, which was previously assumed to be domestically consumed. These dynamics are explained in greater detail in this report's Trade section. While production has risen in recent years, it has struggled to keep pace with demand. Post estimates Côte d'Ivoire's per capita rice consumption at just over 100kg/year, still making it one of the larger rice consumers in the region, but tempering previous assumptions that rice consumption was soaring in the country.

Urban consumers are often the focus of increasing consumption, due to growing incomes and more emphasis on convenience; and indeed in many respects urban consumers, particularly in Abidjan, are driving the country's increasing consumption of various commodities. In terms of rice, though, there is evidence that rural consumers in Côte d'Ivoire are driving changing consumption patterns in equal measure. Much like their urban counterparts, those in rural areas are turning to rice vis-à-vis other local staples due to less time and effort to prepare, but also the availability of fuel (wood/charcoal), which is becoming increasingly scarce and costly. Consumers purchasing domestic rice prefer aromatic, long grain varieties, but price will be the primary deciding factor. Domestic rice is fairly competitive in price terms with imported rice, but is often perceived as an inferior product due to the poor milling infrastructure and resulting product with high levels of breakage and debris.

Most imported rice arrives in break bulk, due to the increased cost of clearing containerized shipments at the Port of Abidjan. Packaging is then done in-country, with an array of brands marketing the various imported fragrant rice varieties and origins. At the point of sale to the consumer, packaging ranges from 1 to 5kg bags. Refer to the Marketing section of this report for more information on the local pipeline from the producer to the Ivoirian consumer and pricing of different varieties.

In tandem with the country’s efforts to increase domestic production, Côte d’Ivoire is making significant investments in formalizing its milling capacity. In the next several years, there are plans to open up to thirty mills with capacities of 5 tons/hour or more throughout the country. Currently there are reportedly only three mills of this size operational in the country, along with only three others exceeding 2 tons/hour (see Table 1 below). There are also plans to build several larger industrial mills that can process up to 20 tons/hour. There is only one rice mill exceeding 5 tons/hour currently operational in the country. Most large, active mills are currently underutilized as the supply of domestic paddy rice can be sporadic, and obtaining deliveries from so many small producers, usually in areas with inadequate infrastructure, also presents challenges.



5 ton/hour mill recently opened in Korhogo (left) and 1 ton/hour capacity mill owned by local co-op (right)

While only slowly coming online, these mills possess modern equipment, truck scales, and small laboratories to determine quality of deliveries from local farmers. At a recently opened 5 ton/hour mill in the northern city of Korhogo (above left), the improved milling equipment is greatly reducing debris, resulting in a better quality product that is able to reach consumers throughout the country. GOCI’s intent is to create a higher quality and more competitive product domestically, but the fragmented nature of production and marketing remains a challenge in getting the bulk of domestic production through these facilities. Most domestically produced rice passes through smaller milling units run by both cooperatives and individuals within wholesale and semi-wholesale markets, with capacities under 1 ton/hour. There are thousands of these units throughout the country, but the resulting quality of the product is poor and contains a significant amount of debris.

Table 1: Domestic Milling Capacity

Mill Size	2013/14		2014/15		2015/16		2016/17		2017/18	
	# of Mills	Paddy Collected (1,000 t)	# of Mills	Paddy Collected (1,000 t)	# of Mills	Paddy Collected (1,000 t)	# of Mills	Paddy Collected (1,000 t)	# of Mills	Paddy Collected (1,000 t)
0 to 1 ton/hou	183 6	660.1	183 6	871.7	258 7	590.5	263 5	534.2	263 5	633.7

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1 to 2 tons/hour	310	334.4	310	441.5	310	299.1	283	192.0	283	238.6
+2 tons/hour	6	21.6	6	28.5	6	19.3	6	12.4	6	15.4
Total:	215 2	1016. 1	215 2	1341. 7	290 3	908.9	292 4	738.6	292 4	917.7

Source: Office National de Développement de la Riziculture (ONDR)

Trade:

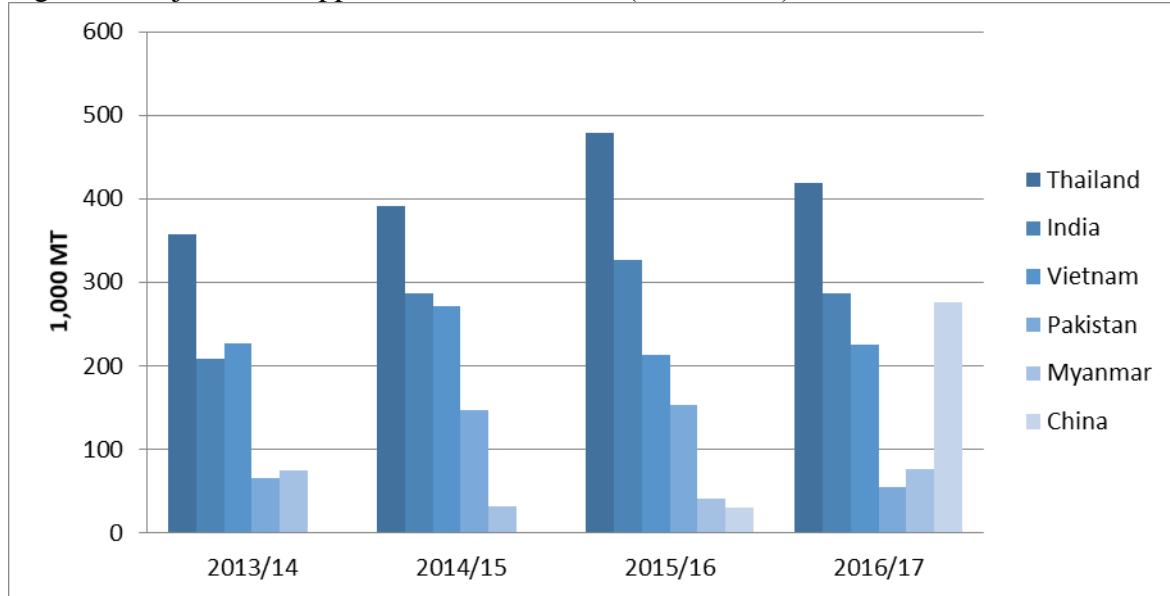
MY 2018/19 imports are projected at 1.3 MMT, up slightly from Post's current MY 2017/18 estimate of 1.275 MMT. Assuming normal conditions, marginal growth in domestic production is expected to temper import demand in the short term, but whether increased domestic production can upend consumer preference for imported rice, particularly in urban areas, is uncertain. Post figures are below official USDA figures to account for sizeable transshipment of Asian rice to neighboring countries outside official statistics.

As previously mentioned, break bulk shipments of rice are preferred to containerized shipments due to clearing cost of containers at the Abidjan port. Given its strategic location, Abidjan is well-positioned to handle shipments of imported rice for other countries in the region, some of which is not captured in official trade statistics due to porous border controls, as well as packaging and transshipments that are originally recorded as imports to Côte d'Ivoire. Some surrounding countries, such as Mali and Ghana, have higher duties or taxes associated with imported rice, which also encourages transshipment. Sizeable quantities of rice, considered imports to Côte d'Ivoire at the Port of Abidjan, are transshipped within the region with limited traceability, making precise estimates difficult. The most likely destinations include Burkina Faso, Ghana, Mali, and Niger. GOCI estimates and apparent differences between exporter data and Côte d'Ivoire's import data suggest the size of these transshipments to be between 200,000 to 300,000 MT annually.

In recent years, Thailand has been the dominant supplier, but market share between Thailand, Vietnam, Myanmar, and India can fluctuate from year to year based on price as the primary consumer concern. In late 2016, Côte d'Ivoire became a destination for Chinese exports, which continued at pace through 2017, and totaled approximately 276,000 tons by the end of CY 2017. Chinese round grain, 5% broken is very competitive, often comparable to 25% broken prices. However at time of writing, Chinese-origin rice was not immediately evident or labeled as such in retail environments.

Additionally, some of Côte d'Ivoire's domestically produced rice in border areas is traded in small quantities across borders in paddy form. Given the concentration of production in the west of the country, Guinea may be absorbing some of this informal trade, but both Mali and Burkina Faso are also likely destinations. Currently in MY 2017/18, Post collectively estimates informal border trade of domestic paddy rice (milled rice equivalent) plus officially captured exports at approximately 140,000 MT. MY 2018/19 exports are projected at 150,000 MT, anticipating slightly higher domestic supply. Post concludes that this previously unaccounted trade, along with the transshipments detailed above, have inflated the country's apparent domestic consumption figures in prior years.

Figure 1: Major Rice Suppliers to Côte d'Ivoire (Trade Year)



Source: Global Trade Atlas

Stocks:

Post estimates MY 2018/19 ending stocks at just over 400,000 MT. Given the lack of precise data, quantifying national rice stocks is difficult, but this figure represents current assumptions that there is generally a 1-2 month supply available within the country among producers, millers, and importers. On farm storage for domestic producers is extremely limited, and the traditional milling facilities themselves lack any formal storage facilities. The larger existing mills and those coming online in the next several years are seeking to improve this situation. The Port of Abidjan and facilities run by major rice importers will hold at least several weeks of supply throughout the year, but there are currently no national policies or requirements for rice stocks.

Policy:

The first National Rice Development Strategy (NRDS) of 2008 sought to achieve self-sufficiency in rice production by 2016, but this target has been pushed back several times. Initially, political crises greatly inhibited development and investment. More recently, the lack of funding, low irrigation, and a lack of available inputs continue to hamper the initiative. Currently, the GOCI target is to achieve self-sufficiency by 2020. However, this appears unrealistic given continuing reliance on imports to meet domestic demand, and additional revision of this target would not be unexpected.

Like many other countries in the region, the growing reliance on imported rice is perceived as a major food security issue. Given rapid population growth and increasing preference for rice versus other staples, there is a stated desire to source more rice domestically to both reduce the country's import bill and invest in the rural economy. In addition to increasing domestic rice production, GOCI has also expressed a desire to encourage a return to more traditional staples such as yam, plantain, and cassava, but currently there are no formal campaigns or policies in place to do so.

Marketing:

The majority of domestic rice, particularly rice which is produced beyond the immediate reach of major urban areas, will often remain in the household or nearby community for consumption. The system by which domestic rice enters urban and peri-urban markets is quite disjointed. Paddy rice is most often delivered to cooperatives or an urban wholesale market in 50kg bags, where it can then be processed for a fee by mills ranging in capacity from 500-900 kg/hour. The wholesale markets are highly fluid and often informal operations, where merchants are dealing not just in rice, but in cashews, coconuts, maize, and onions. A single merchant will often shift between those commodities depending on availability and prices. These operations will sell both milled rice in 25kg bags that was milled onsite and the existing 50kg bags of paddy rice, depending on the next buyer's purposes. The wholesale market in the second-largest city of Bouaké, for example, is the largest of its kind in the country due to its strategic location in the center of the country. This market will handle deliveries from throughout the northern and central districts of the country, as well as some rice from the western districts which are the primary growing areas. The semi-wholesale/retail markets are a final stage at which small merchants will either sell small quantities of milled rice directly out of 25kg bags, send paddy rice to small neighborhood mills for processing, or package milled rice in their own branded 1 to 5 kg bags. It is estimated that there are in excess of 2,500 small milling operations in the country, serving villages, neighborhoods, and small markets. Conditions in these smaller mills are poor, as is the quality of the finished product particularly with regards to breakages and foreign material.

On price terms, Ivoirian rice is often sold side by side with Asian rice and appears to be quite competitive on price terms. However, both real and perceived quality issues mean that Asian origin, while fractionally more expensive in most average supermarkets, enjoys a reputation for higher quality among consumers. At retail, packaged Ivoirian rice will sell anywhere from \$0.83 to \$1.25 per kilo. The average price for its Asian competition is slightly more uniform at \$0.90 to \$1.00 per kilo, but can exceed \$1.40 per kilo (e.g. high-end Thai jasmine rice) depending upon the variety, origin, and quality.



Retail packaging/branding of Vietnamese (left) and premium quality Thai jasmine rice (right)



Retail packaging/branding of domestic rice, sold in semi-wholesale and wholesale (left/center), and retail (right)

Production, Supply and Demand Table:

Rice, Milled Market Begin Year Cote d'Ivoire	2016/2017		2017/2018		2018/2019	
	Oct 2016		Oct 2017		Oct 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1018	900	1000	862	0	875
Beginning Stocks	517	517	322	342	0	354
Milled Production	1335	1335	1430	1377	0	1450
Rough Production	2054	2054	2200	2118	0	2231
Milling Rate (.9999)	6500	6500	6500	6500	0	6500
MY Imports	1300	1050	1500	1275	0	1300
TY Imports	1350	1092	1500	1275	0	1300
TY Imp. from U.S.	4	0	0	0	0	0
Total Supply	3152	2902	3252	2994	0	3104
MY Exports	30	110	30	140	0	150
TY Exports	30	110	30	140	0	150
Consumption and Residual	2800	2450	2900	2500	0	2550
Ending Stocks	322	342	322	354	0	404
Total Distribution	3152	2902	3252	2994	0	3104
Yield (Rough)	2.0177	2.2822	2.2	2.4571	0	2.5497

(1000 HA) ,(1000 MT) ,(MT/HA)

Commodities:

Rice, Milled