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Senegal

Grain and Feed Annual

West Africa Rice Annual

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Report Highlights:

This report gives an outlook of annual rice production, imports and consumption in selected West African countries (Benin, Burkina Faso, Cape Verde, Chad, Cote d'Ivoire, Gambia, Guinea, Guinea Bissau, Mali, Mauritania, Niger, Senegal and Togo) for 2009/10 and estimates for 2010/11. Total milled rice production for this region in 2009/10 is estimated at 3.4 million tons, up 243,000 tons from Post's March 2008 estimates due to area expansion and good rainfall distribution. Senegal, Mali and Cote d'Ivoire are the major producing countries and contribute 53% of the total estimated rice production for 2009/10. For 2010/11 Post forecasts a 3% increase in production due to current donor and government funded initiatives which are expected to stimulate rice production by increasing new irrigated areas and subsidizing inputs. Rice imports in MY2009/10 are estimated at 3 million tons in these selected countries with Senegal (700,000 metric tons) and Cote d'Ivoire (860,000 metric tons) being the main importers. Despite growing regional rice production, trade will likely remain stable in the coming year.

Executive Summary:

Rainfall in 2009 varied widely across the Sahel and coastal areas of West Africa. In the Western Sahel the rains started relatively early without major interruptions. In November 2009, CILSS (Inter State Committee for Drought Control in the Sahel) reported on cereal production for 08/09 and the 09/10 estimates for all CILSS and ECOWAS (Economic Community of West African States) country members (Benin, Burkina Faso, Cape Verde, Chad, Cote d'Ivoire, Gambia, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Togo, Sierra Leone, Ghana, Liberia and Nigeria). CILSS estimated rough rice production in 2009/10 for all these countries with the exception of Liberia, Sierra Leone and Mali at 8.4 million tons which is an increase of 6% compared to the previous year. Post forecasts a production of about 3.4 million tons in milled rice production in selected countries for the campaign 09/10 that represents a 10% increase compared to 08/09. In most of the countries the production was boosted by government policies dedicated to increase rice production in response to the worldwide price increase and its consequences. These include tax reductions, subsidizing seeds and other inputs, expansion of irrigated area and better organization for rice marketing. The outlook for the 2010/11 campaign is a slight increase of 3% in harvested area and in milled rice production. It is anticipated to meet about 53% of the total requirements. The selected countries will have to import about 3 million tons to cover the deficit in 09/10 and 10/11.

Production:

Post forecasts, for the group of countries summarized in Table 1, milled rice production of 3.4 million tons in 09/10 with an estimated increase of 3% for 10/11. Senegal, Mali and Cote d'Ivoire are the major production countries and contribute 53% of the total estimated milled rice production for 2009/10. It should be noted that Guinea is also a major rice producer, however very little data is available on actual quantities since no agricultural surveys have been done in the country for a long time. Guinea appears to consume most of its own consumption and is not a major exporter of rice.

Senegal

In Senegal, it was exceptionally rainy with generally good space-time distribution of the rains throughout the season. The campaign was characterized by an early installation of the rains as of May and regular precipitation was observed during all of September and August. Senegal has two types of rice production systems: irrigated land located in the valley of the Senegal River and the basin of Anambe; and rain fed upland located in the regions of Fatick, Ziguinchor, Sedhiou, Kolda, Tambacounda and Kedougou. They both represent 70% and 30% of total rice production, respectively. Rice in Senegal is typically planted from June to July and harvested from November to January, coinciding with Senegal's rainy season from June-October; and in February and harvested in June for the cold season. Rice is cultivated on small landholdings and large-scale agriculture is very limited, with the exception of some large-scale paddies located near the Senegal River delta. The average rice yield is 6 tons/ha with a peak of 13 tons/ha on irrigated land while it is about 1.93 tons/ha on rain fed land. Because of the good potential of irrigated land, the government of Senegal's GOANA (Great Agricultural Offensive for Food and Abundance) program will address some problems that are facing the rice producers in this part of the region to boost production. This include the development of irrigation infrastructures, increase of area harvested, access to credit, subsidized inputs, improved access to good quality seeds, use of high yield varieties and adequate equipment for harvesting and processing, and a better organization for rice marketing. This year, in the Senegal River valley, 56% of the land has been planted with paddy rice and 43% with certified seeds. 94% of the land has been harvested manually due to a lack of equipment. Since the launch of GOANA in 2008, Senegal rice production has increased from 408,000 metric tons in 08/09 to 508,000 metric tons in 09/10. Post is estimating an increase of 3% in 10/11 if the GOS maintains its commitment to boost rice production by fixing some problems that the farmers are facing. Today, only 76% of the rehabilitated area is exploitable in the valley of the Senegal River. The area harvested has increased (80,000 ha vs. 125,000 ha) from 2007/08 to 2008/09. In 2009/10 it is estimated at 131,000 ha. This trend will continue to increase over the next four years since the GOANA objective is to harvest 327,000 ha to produce 1 million tons of good quality milled rice by 2012.

Mali

Mali ranks first in rice production in the CILSS region. The country offers good potential to intensify rice production due to low cost of its irrigation system (it is largely gravity fed) and labor. Even though almost all regions in Mali produce rice, the area controlled by the Office of the Niger (river) represents about 40% of the total production. The Office of the Niger is a government entity that manages a series of development projects in the Middle Niger River Valley including hydroelectric dams, irrigation canals and agricultural villages devoted to the production of rice, cotton and other crops. In 2008, Mali launched a "Rice Operational Plan" with the objective to reach self sufficiency during the 2008/09 campaign. The GOM target was to achieve a 50% increase in the 2008/09 campaign compared to the previous year with a milled rice production of 1 million metric tons. To achieve these results the GOM subsidized and improved access to high yield seeds (NERICA varieties), fertilizers, equipment, and increased harvested areas. While these results weren't achieved in the first year, Mali has great potential to gradually increase its rice production. The 2009/2010 agricultural campaign was characterized by a rather difficult start due to a deficit of rainfall compared to normal. Indeed, the rains settled lately in most agro pastoral zones with a bad distribution in time and space. CILSS estimated milled rice production for 09/10 at 1 million tons increasing 18% in production and area harvested compared to 2008/09. Post forecasts a 4% increase in milled rice production in 2010/11 if the GOM continues to support the Rice Operational Plan.

Cote d'Ivoire

In Cote d'Ivoire there are three principal types of rice production systems found: rain fed upland, rain fed lowland, and irrigated lowland. The total rice production in the country accounts for 90% of the rain fed land and it is mainly produced in the North and West part of the country. Cote d'Ivoire is the second rice producer among CILSS countries. Rainfall in 2009 was normal but lower than the previous year causing late planting in some areas due to rain deficits at the beginning of season. Cote d'Ivoire launched a national program in June 2008 that aims to increase milled rice production by 200,000 tons to reach self sufficiency by 2012. Rice production improved due to current government initiatives which are to increase of area harvested and access to seeds including 18% of improved seeds to 60% of the households. CILSS estimates the national milled rice production at 373,000 tons for 2008/09 and 377,000 tons in 2009/10 which represents 1% increase. However, Post estimates the 09/10 milled rice production at 430,000 tons and forecasts production for 2010/11 at 450,000 tons.

Across the region, if government and donors initiatives are maintained and rainfall is abundant and well distributed, post forecast an increase for total milled rice production for selected countries of 3% in 2010/11.

Summary Table

Table 1: Estimated Area harvested, Production, Imports, and Consumption , 2009/10 and 2010/11

Selected Countries	Area Harvested (x1000 ha)		Production, Milled (X 1000 MT)		Imports (x 1000 MT)		Consumption (x 1000 MT)	
	2009/ 10	2010/ 11	2009/ 10	2010/ 11	2009/ 10	2010/ 11	2009/ 10	2010/ 11
Benin	66	56	128	140	160	160	287	289
Burkina Faso	109	120	123	160	218	200	321	379
Cape Verde	0	0	0	0	38	38	26	27
Chad	97	97	63	63	20	20	83	83
Cote d'Ivoire	362	378	430	450	860	900	1,290	1,350
Gambia	52	53	39	40	95	100	134	136
Guinea	835	856	1,019	1,000	330	374	1,300	1,330
Guinea-Bissau	101	101	92	92	127	127	211	215
Mali	509	530	1,009	1,050	140	100	1,065	1,200
Mauritania	17	18	40	40	75	80	105	110
Niger	25	26	50	50	214	218	263	268
Senegal	131	135	330	340	700	700	1,016	1,020
Togo	42	42	56	56	85	85	127	130
Total	2,346	2,412	3,379	3,481	3,062	3,102	6,228	6,537

Source: CILSS data and FAS Dakar estimates

Consumption:

Rice remains one of the most important staple foods in West African countries. Using the official population figure and the average per capita consumption, post forecasts an increase of 5% (6.5 million tons) in 10/11 compared to 09/10 (6.2 million tons) in rice consumption for selected countries.

Senegal

Rice consumption in Senegal continues to be very high, with per capita consumption at 84 kg per annum. CILSS estimates the annual Senegalese rice consumption for 2009/10 at 1.016 million tons which represents 45 percent of cereal consumption. Rice is the main cereal eaten in Senegal and since the 1970's it has replaced millet as the most important staple food. Its local production is estimated to be 33% of the total need in 2009/10 and 2010/11 compared to 25% in 2008/09. Millet, sorghum and maize are the three alternate sources of energy to rice. Broken rice is the preferred type of rice eaten in the country. As domestic rice production increases, producers, millers, wholesalers and retailers will need to address quality issues to win over Senegalese consumers. A number of rice dishes are prepared in Senegal, but the Cebbu Jen – which translates as Rice and Fish - is the most popular. This dish is also very much appreciated in other West African countries.

Cote d'Ivoire

Rice is also the most popular cereal in Cote d'Ivoire. It represents about 31% of the ten most consumed foods in the country. The annual rice consumption in Cote d'Ivoire is estimated at 1.2 million tons in 2009/10 (60 kg per capita) and 1.3 million tons in 2010/11. Rice accounts for 21% of the household food supply followed by fish (17%). It is the most consumed staple food after cassava and its derivatives. It is consumed by the majority of Ivoirians.

Mali

CILSS estimates an annual rate of 59 kg per capita in 09/10 in Mali. Post forecast a consumption increase of 12% in 2010/11 compared to 09/10.

Trade:

In spite of the predominance of rice as the major food and substantial increase in local rice production, countries depend heavily on imported rice to meet demand. 50% to 80% of West Africa consumed rice is imported every year. However, post forecasts stable imports during the 2009/10 and 2010/11 (3 million tons vs. 3.1 million tons) due to an increase of local rice production and incentive measures in the major producers' countries with Senegal and Cote d'Ivoire accounting for 50% of the total trade. The main ports for importing rice in Francophone West Africa are Dakar, Senegal, Abidjan, Cote d'Ivoire and Cotonou, Benin. These ports feed landlocked importing countries. For example, Mali imports most of its rice via Dakar and Abidjan. Burkina Faso imports most rice via Abidjan, or ports in Lome, Togo and Accra, Ghana. Niger shipments normally pass through Cotonou, Benin. Much of the rice that enters Benin is also re-exported to neighboring Nigeria.

U.S. exports of rice to the region reached 64,000 tons or \$32.6 million in 2008 and from Jan-Nov reached 55,000 tons or \$30 million in 2009. These are the highest levels by volume and value since 2004.

Senegal

Senegal currently imports about three-quarters of its rice for domestic consumption. In addition, many rice farmers have difficulty selling their crop, because the markets are inundated with cheaper imported rice from Asia and the Senegalese prefer 100 percent broken rice. Rice is the main food imported in Senegal. In 2008, rice imports represent about 46% of imported food followed by vegetable oils, wheat and dairy products. Imports are mainly done by private companies and totaled 518 million USD in 2008 (863,371 metric tons) and around 360 million in 2009 (714,890 metric tons). Post estimates a stable trend in MY 2009/10 and 2010/11. This trend will likely continue over the next years even though local rice production is increasing. Thailand remains the largest supplier of rice (approximately 60 percent) and Vietnam is the next largest supplier (approximately 20 percent). In 2009, USA supplied paddy rice (2,400 metric tons) and less than 1 metric tons of semi or whole milled and broken rice which account for 3% of the total imported rice. In 2009, Senegal exported a small quantity (10,000 metric tons) of rice in Cote d'Ivoire (7,000 metric tons) Mali (2,000 metric tons), and Guinea Bissau (1,000 metric tons). Usually transport is done by truck.

Cote d'Ivoire

About 50% of the consumed rice in Cote d'Ivoire is imported. Rice imports in the first six months of 2009 increased 17% compared to the same period in 2008 (456,840 metric tons vs. 552,403 metric tons). CILSS estimates 2009/10 imports at 1.290 million tons. Post forecasts an increase of 5% for 2010/11. Thailand remains the largest supplier (39%) followed by Vietnam (27%) and Burma (14%). US rice represents a market share of 3%. Ivoirians prefer the grade of 16/35% broken rice.

West African countries imported 78,463 metric tons of US rice from January to November 2009 compared to 71,643 metric tons the previous year (January to December 2008) which represents a total value of \$43,669,000 vs. \$36,305,000 and an increase of 10% in quantity. Senegal and Cote d'Ivoire were the two major importers in 2008 followed by Burkina Faso and Benin which became the major importer in 2009. Benin imported 24,092 metric tons in 2009 compared to 2,716 metric tons in 2008. Benin is followed by Cote d'Ivoire (15,328 metric tons), Niger (9,967 metric tons) and Senegal (2,483 metric tons) during the same period.

Stocks:

Stocks are usually held by farmers and private importers. CILSS estimated final stocks for 2008/09 at 317,924 tons and initial stocks for 2009/10 at 146,173 tons for coastal and CILSS country members. This decrease in stock volume will probably lead to an increase in rice imports in 2009/10. According to Senegalese importers a stock of about 60,000 tons in Senegal is kept in the country corresponding to about 1 month of consumption.

Policy:

Today, most governments are encouraging local rice production as there is a perception that imports remain a major burden for the country trade balance and leave countries vulnerable to fluctuating world rice supplies and prices.

In February 2009, the Government of Mali introduced a temporary policy change by allowing tax reduction on imported rice during 3 months (March to May 2009). This measure was implemented to reduce consumer prices that were 35% more expensive in January 2009 compared to the same period in 2008.

In Senegal, as well as Mali and Cote d'Ivoire, with the aim of ensuring more food security to meet demographic growth, the governments launched National Rice Programs to boost local rice production and achieve self sufficiency by 2012. These programs have a goal of reaching 1 million tons of milled rice by 2012 (Senegal), an annual increase of 200,000 tons of milled rice by 2012 (Cote d'Ivoire), and 50% increase from the 2008/09 campaign to achieve self sufficiency (Mali). Benin also has targets to double its local production by 2011 and reduce imports and meet 70% of the national demand. While these programs are usually over-ambitious in the early years, long-term growth is possible if donors and governments continue to invest in land improvement, irrigation and subsidies and credits for inputs.

In Senegal, tariffs on rice vary according to grade. The customs duties are set at 10% for all grades. There is no surtax on broken rice, which fixes its maximum tariff at 12.7%. The tariff rate for brown rice is 27.7% and 32.7% for semi-milled rice. There is no VAT applied to rice imports.

Marketing:

2008 was characterized by a significant increase in cereal prices in the international market including rice. During the third quarter of 2009, Benin and Senegal experienced a dry cereal price decline ranging from 20% to 33% compared to the same period in 2008. In the other countries located in the Sahel, prices were still high and reach their maximum. It is only in September that prices started to decrease slightly due to the apparition of new locally harvested products increasing the level of domestic stocks. Prices also finally softened with the help of price reductions in the international market. In Burkina Faso, the price of imported rice decreased 16% while the local rice increased 15%. In Mali, the combined effect on tax-free imported rice and a good local rice production campaign led to a price decrease for local rice in September less than the previous year, but higher than the average of the 5 past years. However, the price for dry cereals increased from 2 to 8%. In Senegal, compared to the same period in 2008, prices were decreasing successively with a difference of 17 F CFA/kg for dry cereal (millet, sorghum and maize) and 65 F CFA/kg for the local milled rice. This important price difference in rice was due mainly to price reduction in the international market and abundant commercial stocks. (1 USD = 468 F CFA)

Since the liberalization of the rice market, importers are focusing on diversifying their source of supply for good quality rice at a better price. They offer a wide range of rice of quality and prices. As a result, we see a new trend for an urban population that opts for fragrant rice. As for the locally-grown rice in Senegal, a big part of it is used for subsistence consumption and is

not sold in the larger urban centers. Between 50 and 60% of it is marketed every year and most of it is produced, marketed and used around the River Valley zone. Only a small share is exported towards other areas through Saint Louis to be sold in Dakar and in the other regions of Senegal. Small quantities are exported to Mauritania. Many West African countries are facing problems to market the local rice. The imported rice is more competitive than the local produced rice, and the quality is perceived to be better – and more consistent. Meanwhile, in 2009, Senegalese importers had financial difficulties because of the drop in the international market of the rice while they previously bought large stocks at a higher price.

Production, Supply and Demand Data Statistics:

Rice, Senegal	2008		2009		2010		
	2008/2009		2009/2010		2010/2011		
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		
	USDA Official Data	New Post Data	USDA Official Data	New Post Data	USDA Official Data	Jan	
Milled							
Area Harvested	100	125	105	131		135	(1000 HA)
Beginning Stocks	125	125	215	100		104	(1000 MT)
Milled Production	182	265	195	330		340	(1000 MT)
Rough Production	280	408	300	508		523	(1000 MT)
Milling Rate (.9999)	6,500	6,500	6,500	6,500		6,500	(1000 MT)
MY Imports	740	683	700	700		700	(1000 MT)
TY Imports	700	683	700	700		700	(1000 MT)
TY Imp. from U.S.	0	40	0	3		5	(1000 MT)
Total Supply	1,047	1,073	1,110	1,130		1,144	(1000 MT)
MY Exports	0	2	0	10		8	(1000 MT)
TY Exports	0	2	0	10		8	(1000 MT)
Consumption and Residual	832	971	830	1,016		1,020	(1000 MT)
Ending Stocks	215	100	280	104		116	(1000 MT)
Total Distribution	1,047	1,073	1,110	1,130		1,144	(1000 MT)
Yield (Rough)	3	3	3	4		3.8741	(MT/HA)
TS=TD				0		0	

Milled Rice, Mali	2008		2009		2010		
	2008/2009		2009/2010		2010/2011		
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		
	USDA Official Data	New Post Data	USDA Official Data	New Post Data	USDA Official Data	Jan Data	
Area Harvested	390	433	410	509		530	(1000 HA)
Beginning Stocks	0	0	0	2		86	(1000 MT)
Milled Production	813	860	858	1,009		1,050	(1000 MT)
Rough Production	1,232	1,323	1,300	1,529		1,591	(1000 MT)
Milling Rate (.9999)	6,600	6,500	6,600	6,600		6,600	(1000 MT)
MY Imports	100	100	100	140		100	(1000 MT)
TY Imports	100	100	100	140		100	(1000 MT)
TY Imp. from U.S.	0	1	0	1		1	(1000 MT)
Total Supply	913	960	958	1,151		1,236	(1000 MT)
MY Exports	0	0	0	0		0	(1000 MT)
TY Exports	0	0	0	0		0	(1000 MT)
Consumption and Residual	913	958	958	1,065		1,200	(1000 MT)
Ending Stocks	0	2	0	86		36	(1000 MT)
Total Distribution	913	960	958	1,151		1,236	(1000 MT)
Yield (Rough)	3.	3.	3.	3.		3.	(MT/HA)
TS=TD		0		0		0	

Rice, Milled d'Ivoire	Cote	2008		2009		2010		
		2008/2009		2009/2010		2010/2011		
		Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		
		USDA Official Data	New Post	USDA Official Data	New Post	USDA Official Data	Jan	
			Data		Data		Data	
Area Harvested	400	313	400	362		378	(1000 HA)	
Beginning Stocks	100	100	90	0		0	(1000 MT)	
Milled Production	445	373	495	430		450	(1000 MT)	
Rough Production	809	678	900	782		818	(1000 MT)	
Milling Rate (.9999)	5,500	5,500	5,500	5,500		5,500	(1000 MT)	
MY Imports	800	800	800	860		900	(1000 MT)	
TY Imports	800	800	800	860		900	(1000 MT)	
TY Imp. from U.S.	0	15	0	15		15	(1000 MT)	
Total Supply	1,345	1,273	1,385	1,290		1,350	(1000 MT)	
MY Exports	0	0	0	0		0	(1000 MT)	
TY Exports	0	0	0	0		0	(1000 MT)	
Consumption and Residual	1,255	1,273	1,295	1,290		1,350	(1000 MT)	
Ending Stocks	90	0	90	0		0	(1000 MT)	
Total Distribution	1,345	1,273	1,385	1,290		1,350	(1000 MT)	
Yield (Rough)	2.	2.	2.	2.		2.	(MT/HA)	
TS=TD		-100		0		0		

Milled Rice, Burkina	2008		2009		2010		
	2008/2009		2009/2010		2010/2011		
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		
	USDA Official Data	New Post	USDA Official Data	New Post	USDA Official Data	Jan	
		Data		Data		Data	
Area Harvested	60	95	70	109		123	(1000 HA)
Beginning Stocks	0	0	0	10		30	(1000 MT)
Milled Production	80	127	97	123		160	(1000 MT)
Rough Production	123	195	149	189		246	(1000 MT)
Milling Rate (.9999)	6,500	6,500	6,500	6,500		6,500	(1000 MT)
MY Imports	110	177	100	218		200	(1000 MT)
TY Imports	100	177	100	0		200	(1000 MT)
TY Imp. from U.S.	0	5	0	2		3	(1000 MT)
Total Supply	190	304	197	351		390	(1000 MT)
MY Exports	0	0	0	0		0	(1000 MT)
TY Exports	0	0	0	0		0	(1000 MT)
Consumption and Residual	190	294	197	321		380	(1000 MT)
Ending Stocks	0	10	0	30		10	(1000 MT)
Total Distribution	190	304	197	351		390	(1000 MT)
Yield (Rough)	2	2	2	2		2.	(MT/HA)
TS=TD		0		0			

Milled Rice, Benin	2008		2009		2010		
	2008/2009		2009/2010		2010/2011		
	Market Year Begin: Oct 2008		Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		
	USDA Official Data	New Post	USDA Official Data	New Post	USDA Official Data	Jan	
		Data		Data		Data	
Area Harvested	35	48	35	66		56	(1000 HA)
Beginning Stocks	0	0	0	2		0	(1000 MT)
Milled Production	63	92	64	128		140	(1000 MT)
Rough Production	98	144	100	200		219	(1000 MT)
Milling Rate (.9999)	6,400	6,400	6,400	6,400		6,400	(1000 MT)
MY Imports	155	155	160	160		160	(1000 MT)
TY Imports	160	155	160	160		160	(1000 MT)
TY Imp. from U.S.	0	3	0	24		25	(1000 MT)
Total Supply	218	247	224	290		300	(1000 MT)
MY Exports	0	0	0	0		0	(1000 MT)
TY Exports	0	0	0	0		0	(1000 MT)
Consumption and Residual	218	245	224	287		303	(1000 MT)
Ending Stocks	0	2	0	0		0	(1000 MT)
Total Distribution	218	247	224	290		300	(1000 MT)
Yield (Rough)	3.	3.	3.	3.		3.9107	(MT/HA)
TS=TD		0		0		0	