



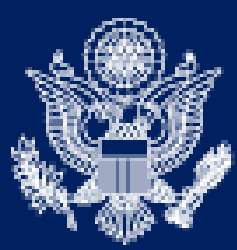
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Senegal Economic Growth Project (PCE)

Results and lessons from support to Senegal's rice value chain

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February 4, 2013





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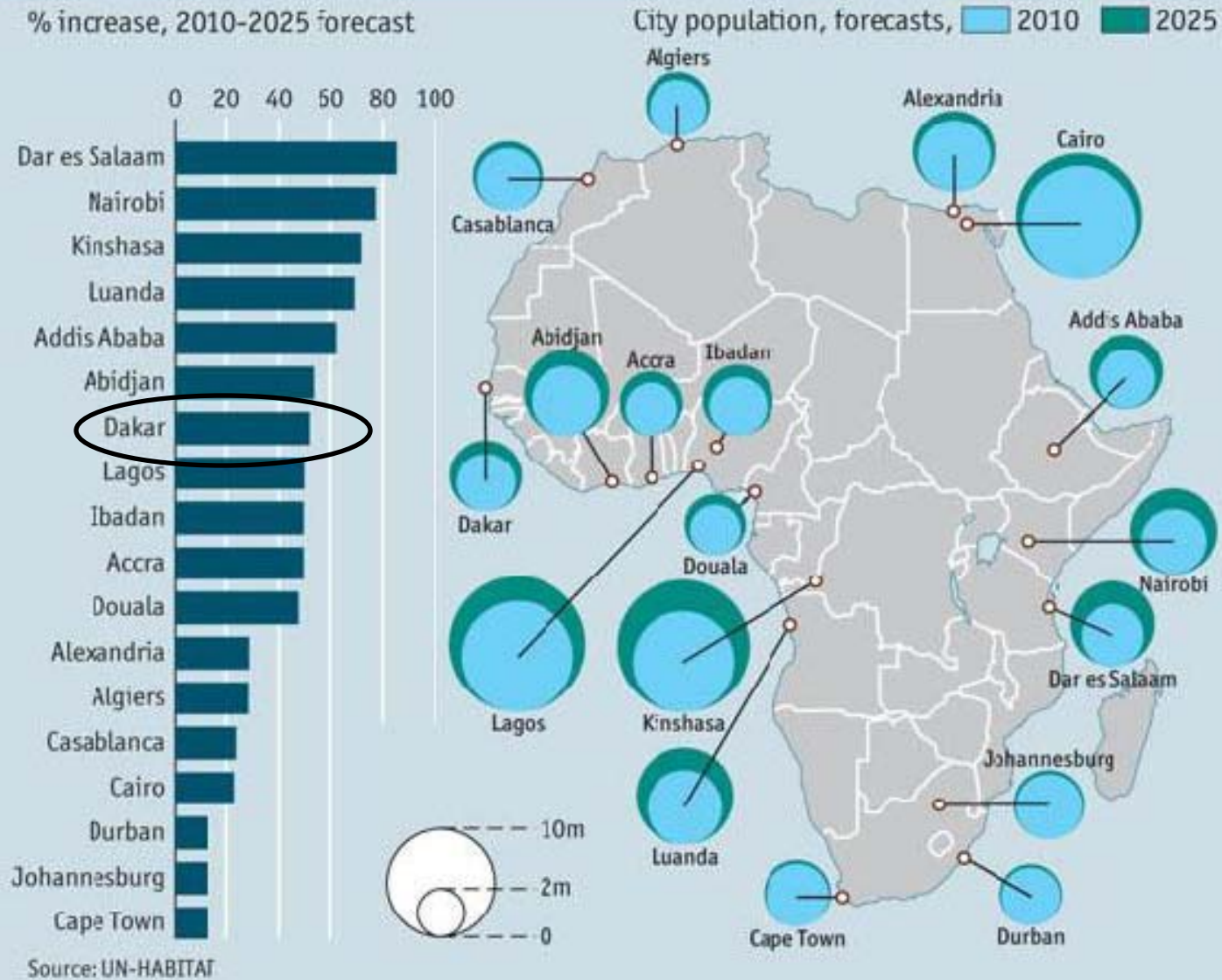
The U.S. Government's Global Hunger and Food Security Initiative

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Accelerated Urbanisation in Africa, 2010 to 2025



Who will feed Africa's rapidly growing urban markets?

USAID/PCE is one of several FTF project mechanisms in Senegal

- ❑ May 2009 – May 2014
- ❑ Integrate **small-holder farmers** in modern cereals supply chains and compete against imports
- ❑ **Contracts** between farmer groups and buyers → credit, inputs, farm expansion, demand for certified seeds.
- ❑ **Sustainability : Cost-share partnerships** with farmer unions, firms or NGOs to set up structured farmer “networks” to do field-based training (demo sites) on improved seeds, farming techniques , post-harvest quality control.
- ❑ Improving **access to capital** : seasonal loans, leasing, inventory credit, insurance...



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Rice sector context...2009

- Imports of \$350 million/year (175 billion CFA)
- High yields in the Senegal River Valley (SRV);
- Weak market penetration of local rice : poor quality, unstable supply; wrong varieties...
- Double cropping is rare
- Limited investment in large-scale milling and storage
- In south, farmers achieve 4-6 months of self-sufficiency with low-yielding varieties
- Africa Rice/ISRA developed and registered numerous improved varieties but supply does not match demand



USAID/PCE works on two parallel tracks of the rice VC

Track 1: organize farmers and improve quality

- Structure farmer groups as coordinated **supply networks**
- Demo sites for **field-based training**: farming methods, soil conservation, new varieties, harvest practices
- Introduce **quality assurance testing protocols**
- Creation & management of **farmer databases** and farm mapping
- **Low-cost technology** : GPS, computers, humidity testers, mini-mills, rice seeders (in south)
- Branding and promotion

Track 2: Increase lending and investment

- **Financial coaching**/business planning to small mills to access loans/leases for equipment & infrastructure
- Engineer financial instruments for stockpiling and commercialization
- Training of farmer GIE on bookkeeping & accounting (187 GIE = 6800 farmers)
- Financial planning for seed grower associations
- Mutual guarantee scheme

A third critical cross-cutting track that makes it all work....SEEDS!

- Rehabilitation of ISRA Fanaye research station : cold storage, electricity, facilities, cost accounting system
- Construction/rehabilitation and equipment for seed testing labs in Richard Toll and Kolda
- Training of Seeds Division lab technicians and supervisors on best practices and results benchmarking
- PPP between seed union (UNIS-Nord) and Ministry for management of seed conditioning center
- Seed associations produce 3 year procurement plans and place foundation seed orders with ISRA
- Cost-share of seed multiplication and demonstration programs

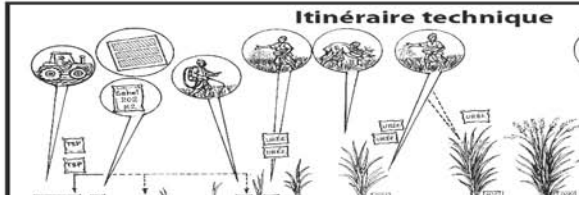




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NEW BRANDS TO REPOSITION SENEGAL'S RICE AND QUALITY SEEDS

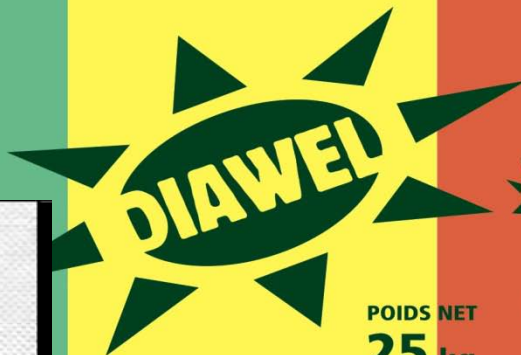
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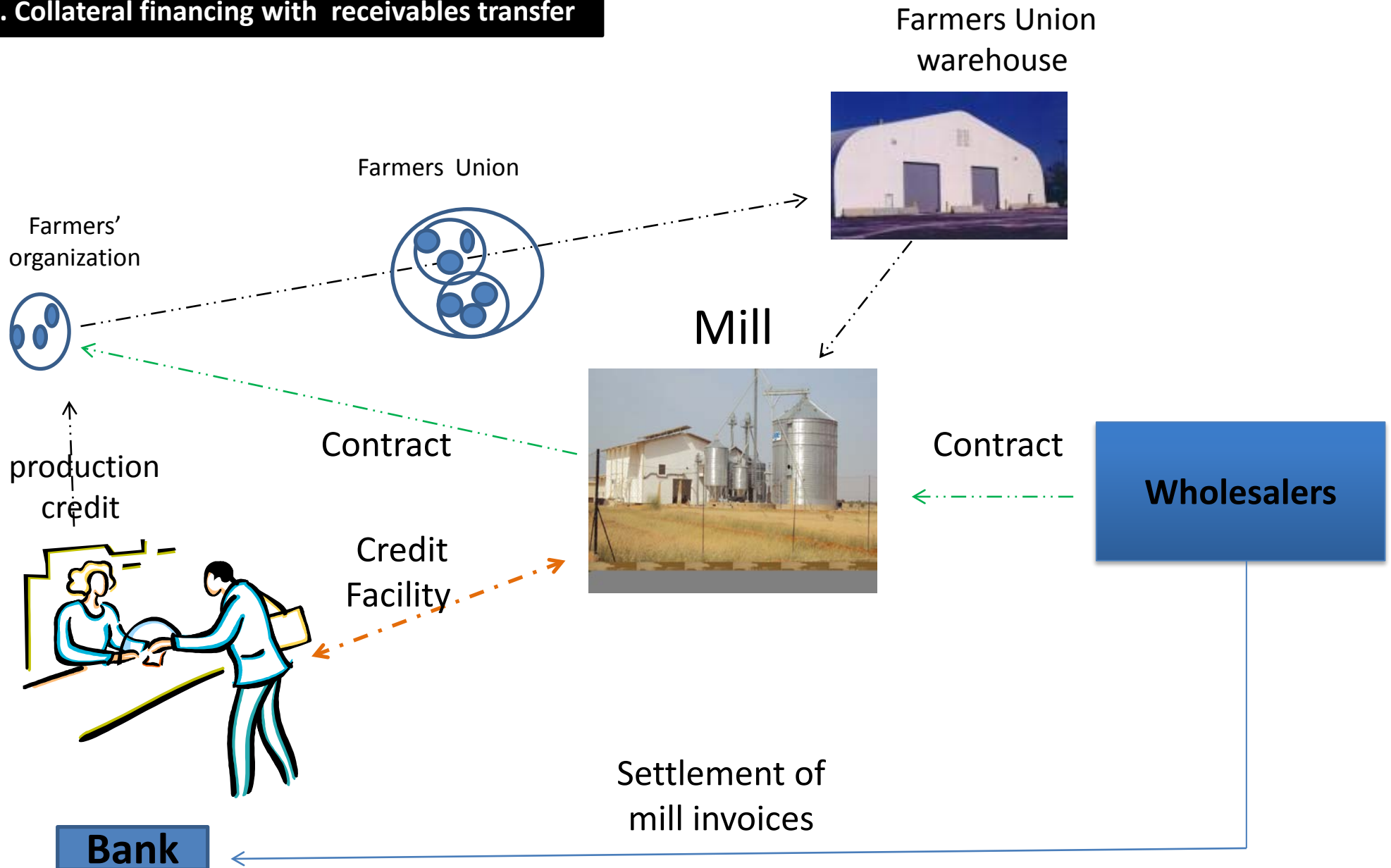
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Integrated financing models for local rice

1. Collateral financing with receivables transfer



Results in IRRIGATED RICE IN 2012:

- Over 700 MT of aromatic seed varieties harvested
- Commercial harvest of aromatic varieties reaches 9 500 T (3 million USD)
- « **Le Chemin du Bon Riz** » trainings and field demonstrations of aromatic rice reach 6 536 farmers through 9 partner networks.
- **Contract farming** enabled PCE partner mills to source 38 600T
- An **inter-linked contract, storage and financing program** model leveraged \$8,5 million (50% for commercialization)
- National agriculture bank farmer loan repayment rates increase from **80% to over 95%**
- Grants of 37 portable humidity testers and 31 portable mini-rice mills in support of quality testing programs

USAID/PCE RESULTS IN THE RAINFED RICE ZONE

- **NERICA seed production exceeds 450 MT** in 2012 up from 86 T in 2011
- 1 400 ha of NERICA rice sown in rain season 2012 by USAID/PCE partner networks.
- **Partner networks train 7194 farmers including 4,000 women** across the SFZ on NERICA best practices
- Grant of seven portable humidity testers and four mini rice mills in support of quality testing programs.





	Rainfed Rice (South)		Irrigated rice (North)	
	2011	2012	2011	2012
Number of producers	2,984	8,262	9,617	17,454
Rice sold (MT)	30	72	30,537	58,171
Value of sales (US dollars)	\$13,801	\$42,038	\$7,342,680	\$28,844,161
Partnerships	7	9	8	10



KEY POINTS....

1. Must feed the 50% increase in Dakar population (and other growing urban areas) !
2. Informal markets cannot compete at that scale; small-holders must evolve strategies to not be marginalized
3. Sustainability : local partners in the lead on farmer capacity building and commercial relationships
4. Small-scale technology is good for grants, but large equipment and warehouses should be credit-worthy
5. Quality management requires specific systems, tools and competencies
6. Even rainfed rice can generate marketable surplus – but develop a viable certified seed supply system first!

USAID is connecting smallholders to large urban markets. The market drives adoption of new varieties and technologies. Farmer yields, incomes and food supplies are all increasing.





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Thank you !

For more information:

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