

Market developments Fruit and Vegetables in Senegal

Presentation by MEYS Emerging Markets Research

Short profile MEYS Emerging Markets Research

• Founded in 2010 by Marco Rensma



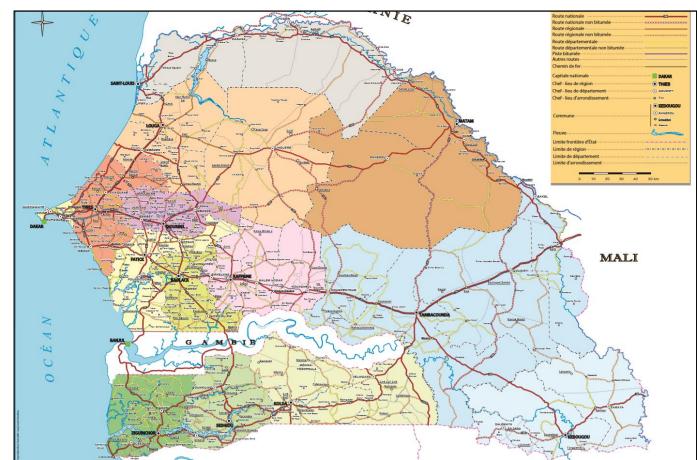
- Office in Barendrecht (NL) and a partner office in Casablanca (Morocco)
- Services: international market research, advisory services, interim management, training
- Clients are public organizations, SMEs and large enterprises searching for new business opportunities in the MENA-region and West Africa
- Active in sectors: maritime industry, construction and real estate, agribusiness, industry, transport and logistics
- Projects done in: Turkey, Vietnam, Laos, Cambodia, China, West Africa (Senegal, Ghana, Cote d'Ivoire, Nigeria, Cameroon), Angola, Morocco, Jordan, Algeria

Macro-economic developments Senegal

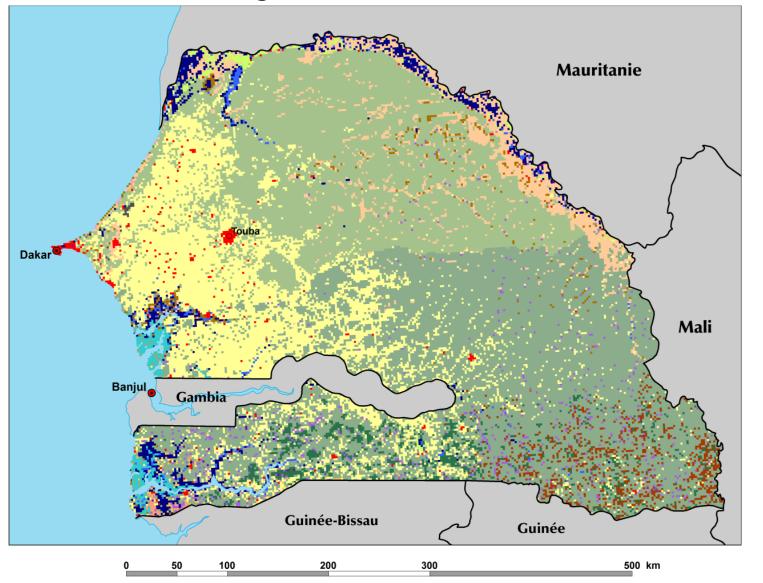
- **Political structure**: Republic
- **President**: Macky Sall (APR-Alliance Pour la Republique)
- **Population**: 16.2 million people (2019)
- **GDP**: 21.3 billion euro(2019)
- **GDP p.c.**: 1 314 euro (2019)
- Average economic growth rate 2010 2019: 5.6%
- Capital: Dakar (3.6 million people)
- **Surface**: 5xNL (196,712 km2)

Source: ANSD, BCEAO, Ministry of Economics Senegal





Land cover map Senegal (2013)



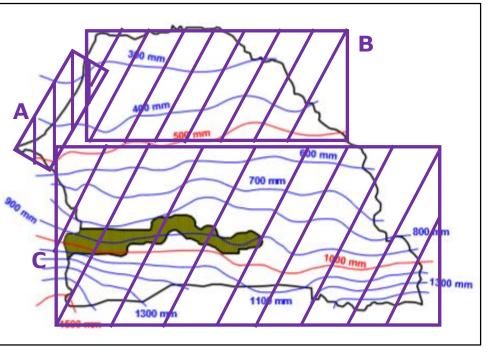


Average annual rainfall in Senegal is divided into 3 distinctive climatic zones:

- A. The coastal zone along a strip of Atlantic coastline between Dakar and Saint Louis with average annual rainfall < 500 mm with rainy season between June October
- B. the Sahel region north of the 500 mm isohyet with average annual rainfall of 360 mm with rainy season between July - October
- C. the Sudanian region south of the 500 mm isohyet with annual precipitation of >500 mm with rainy season between June October



Average annual rainfall in Senegal





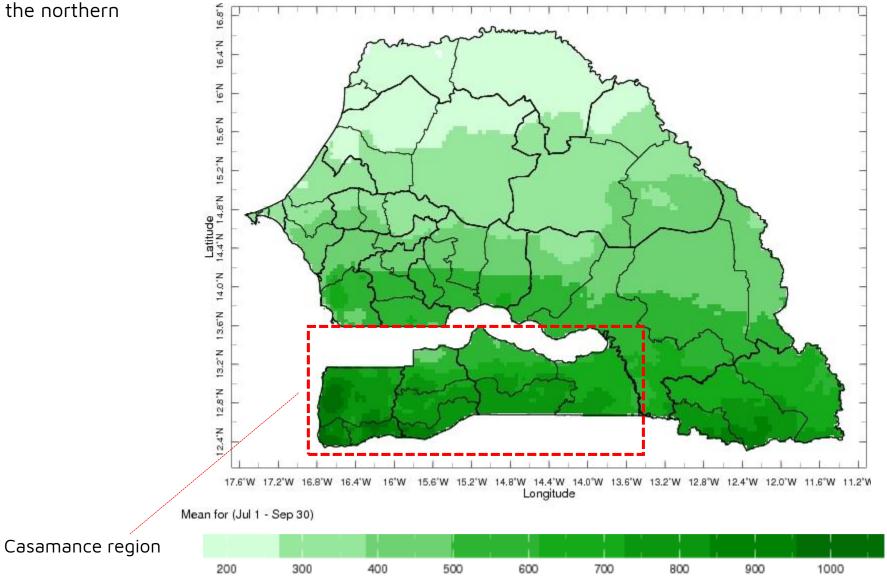
 Average yearly rainfall during rainy season (July

 September/October) in the southern regions in Senegal is much higher than in the northern regions

Cumulated rainfall until October 31 (mm)

	Cumul	Cumul au 31 Octob		
Stations	décadaire	2018	2017	Normale
Saint Louis	0.0	215.0	224.8	254.7
Podor	0.0	199.8	137.8	223.6
Matam	0.0	304.5	435.8	384.9
Ranérou	0.0	393.2	280.8	441.4
Louga	0.0	379.7	338.8	200.6
Linguère	0.0	414.7	516.0	415.5
Diourbel	0.0	534.1	602.7	474.4
Bambey	0.0	446.0	567.7	487.4
Thiès	0.0	264.3	356.7	445.3
Mbour	0.0	261.7	780.0	510.3
Dakar Yoff	0.0	232.0	356.3	379.3
Fatick	0.0	501.7	523.3	419.0
Kaolack	0.0	600.9	660.4	610.0
Kaffrine	0.0	601.5	531.4	623.4
Koungheul	0.0	649.6	736.9	702.0
Nioro du Rip	0.0	669.4	694.8	743.7
Tamba	0.0	708.7	860.Z	713.6
Goudiry	0.0	628.7	539.9	531.0
Bakel	0.0	621.6	459.6	540.7
Kédougou	0.0	1158.3	1192.3	1164.9
Kolda	0.0	828.5	1211.3	1034.3
Sédhiou	0.0	932.9	1016.7	1034.3
Vélingara	0.0	879.0	862.9	868.9
Ziguinchor	0.0	1213.2	1530.6	1243.3
Cap Skirring	0.0	1311.5	1220.5	1186.3

Total average rainfall rainy season 1981 – 2016 (mm)



Source: ANACIM

Despite relatively high economic growth rates, a strong division in poverty between the 'wealthier' North and poorer South

8,0

7,0

6,0

5,0

4,0

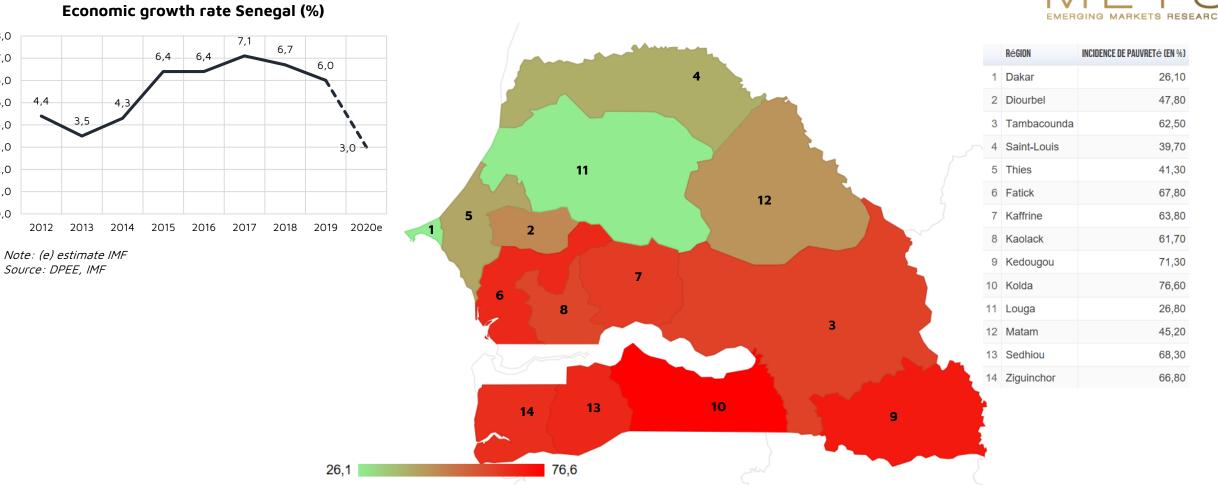
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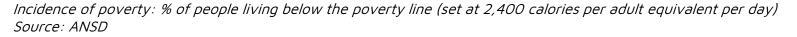
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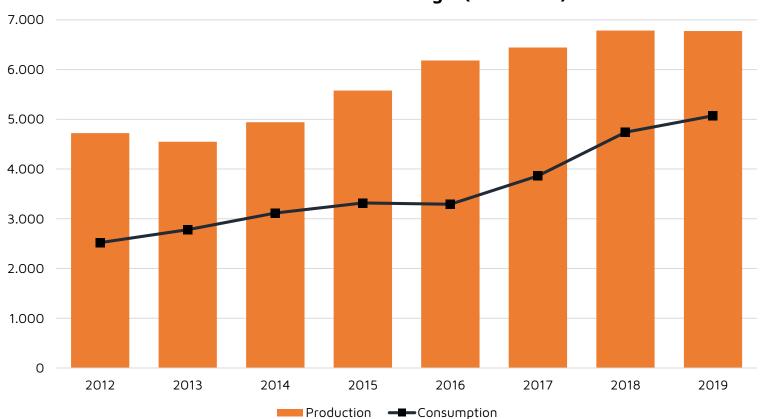
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- With growing economic activities, production and local consumption of cement is on the rise
- Since 2012 cement production + 44% and local cement consumption + 88%
- Main local demand of cement is for the construction of residential property



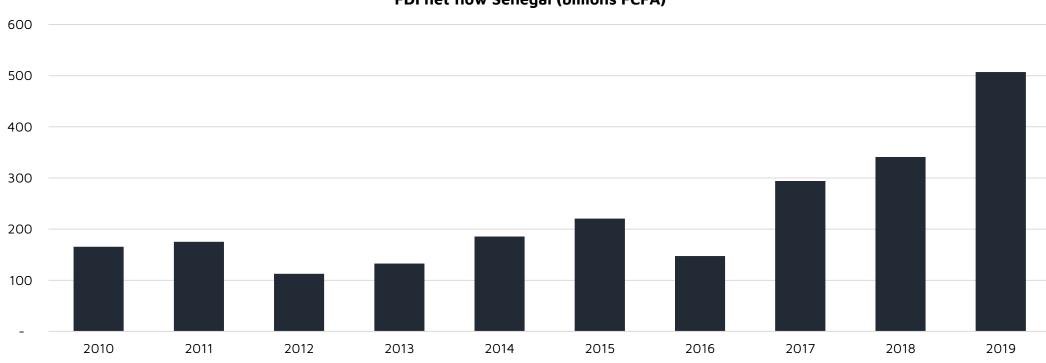


Market of cement in Senegal (1000 tons)



Foreign Direct Investments

- Inward Foreign Direct Investments (FDI) in Senegal are relatively stable during last 10 years
- FDI as percentage of GDP is on average around 2%
- In 2019 FDI flow net volume approximately 500 billion FCFA (~ 774 million euro) in 2019, the highest level since 2010



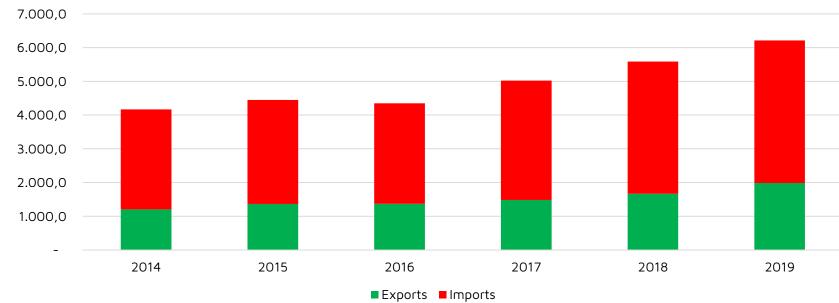
FDI net flow Senegal (billions FCFA)

Source: BCEAO, DPEE



Foreign trade Senegal

- Total foreign trade have been increasing during the last 6 years to 6 200 billion FCFA (9.5 billion euro) in 2019
- Total value of imports in 2019 was double that of exports
- in 2019 total export value 1 985 billion FCFA (3.1 billion euro); total import value 4 229 billion FCFA (6.5 billion euro)
- Main export market of Senegal is West Africa (43%), especially neighbouring country Mali (22%), followed by EU (17%)
- Imports are mainly coming from EU (38%), especially for France (13%), followed by Asia (28%)



Foreign trade Senegal (billion FCFA)



- Volume of total foreign trade increased since 2012 with + 59% to more than 20 million tons in 2019
- On average 20% of Senegal's total foreign trade is transit trade
- Port of Dakar main transit hub for foreign trade Mali (in 2018 3.8 million tons)
- Main transport mode of Senegal's foreign trade is by sea; 100% of transit goods going to/from Mali is by road transport



Foreign trade Senegal by main transport mode^{*} (1000 tons)





Port of Dakar

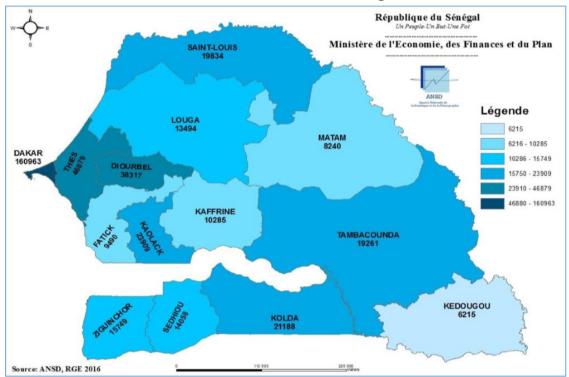
Note: () including transit (**) since June 2017 no more cross border transport of goods by train due to train bridge washed away Source: DPEE, ANSD*

Entrepreneurial climate in Senegal

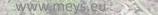
- 407 882 companies economically active in Senegal
- 99.8% are SMEs (annual turnover < 2 billion FCFA ~ 3 million euro)
- 39.5% are located in Dakar, followed by Thiès (11.5%), Diourbel (9.4%) and Kaolack (5.9%)
- Total turnover 11 350 billion FCFA (approx. 17.5 billion euro), of which 85% is generated by companies located in Dakar area
- 97% of the companies are informal
- The formal sector generates 83.7% of total turnover
- Large companies generate 69.6% of turnover, although they count only for 0.2% of the total number of enterprises
- Retail/Trade main economic sector (52%), followed by Industry (21.6%), Personal services (8.9%), and Agriculture & Fishery 5.9%

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Number of economically active enterprises by region

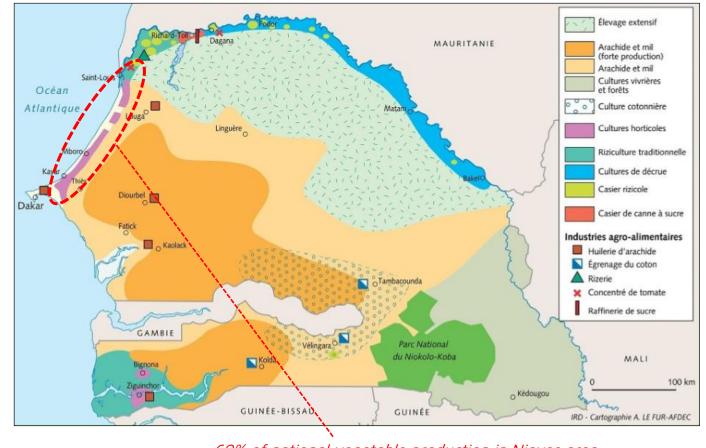


Profile Horticultural sector in Senegal



- Cultivated area approx. 3.3 million ha., of which:
 - 1.7 million ha. food crops (cereals)
 - 1.6 million ha. industrial (cash) crops
- Approximately 100,000 ha. (3%) irrigated
- Value added Agriculture (2019): 2.0 billion euro
- % Agriculture in GDP (2019): 9.4%
- % Agriculture in total employment: 70%
- Approx. 755,500 farmer households
- Highest percentage of farm households in Thies-region (12.8%)
- Lowest percentage in Kedougou-region (1.4%)
- 70% of cultivated farm plots are between 1 5 ha.
- Crop production can be divided in:
 - Food crops (cereals): maize, rize, sorghum, millet
 - Industrial (cash) crops: peanuts, cotton, tomato, cassave, watermelon, onion
 - 'Winter/off-season' crops (primarily for own consumption): potato, bissap, jatropha, okra

Map of main crop production areas in Senegal



60% of national vegetable production in Niayes area





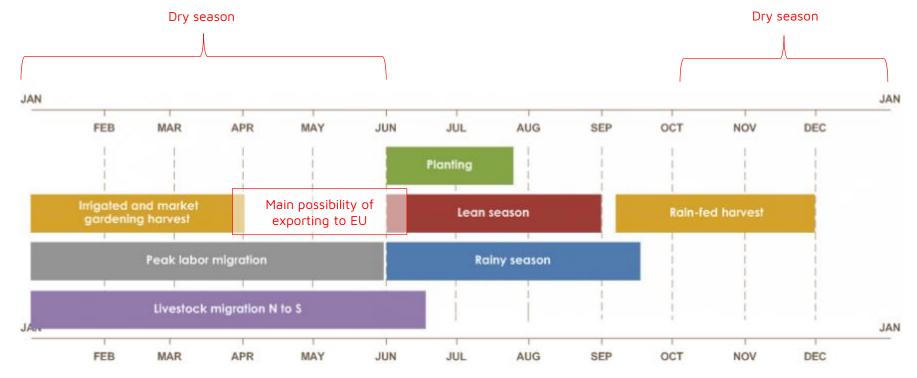
Largest irrigated area is for the production of cereals, primarily rice cultivation

Agricultural product	Irrigated area (ha.)	Main production area(s)	and a second and a
Cereals (mainly rice)	63,000 - 70,000	 Senegal River Valley (40%) Ziguinchor/Kolda (Casamance) (50%) 	Dagana Saint-Louis Podor
Vegetables, of which:	11,000	• Niayes/Dakar (63%)	Louga Louga
Onion	3200	 Thies Zguinchor 	Dakar Tivaouane Linguère Matam Ranérou Ferlo Kanel
Tomato	1950	 Kolda Sain-Louis Tambacounda Kaolack 	Dakar Thies Diourbel
Cabbage	1270		Pikine Rufisque Mbour Fatick Kaffrine Koumpentoum Båkel
Potato	800		Fatick Kaolack Kaffrine Koungheul Goudiny
Other vegetables	3780		the second second
Fruit (mango, citrus, banana)	15,000	 Niayes/Dakar (34%) Ziguinchor (42%) Kolda (19%) Fatick (5%) 	Bignona Sédhiou Sédhiou Sédhiou Sédhiou Sédhiou Sédhiou Sédhiou Siguinchor Sédhiou Sédhiou Siguinchor Sédhiou Siguinchor Sédhiou Siguinchor Sédhiou Siguinchor Siguincho

Source: IWMI

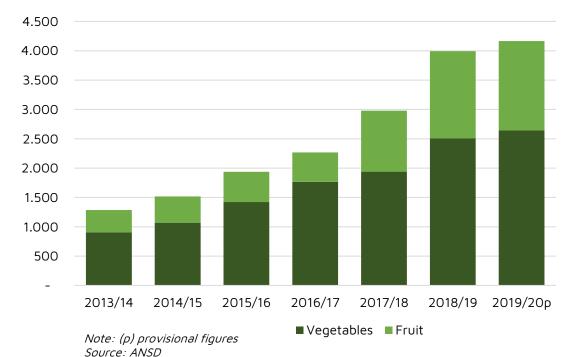
Standard horticultural season in Senegal

- Market gardening activities take place in Senegal according to two periods during the dry season (off-season):
 - `cold' off-season that runs from October to March
 - hot off-season that starts in April and ends in June
- Rain-fed harvest is primarily rice, especially in the Casamance
- Of the approximately 756,000 households active in agriculture in Senegal, 53,000 households (7%) have market gardening activities during the cold off-season and 30,000 households (4%) during the hot off-season





- Total food production (excl. oilseeds) in Senegal increased significantly during the last 5 years
- Cereal production more than doubled to 2.9 million tons during the agricultural campaign of 2017/18
- Provisional figures for cereal production during the campaign 2019/20 show a decrease to 2.8 million tons
- Production of Fruit & Vegetables in Senegal increased to more than 4 million tons during the agricultural campaign of 2019/20 compared to 1.3 million tons in 2013/14



Cereal production^{*} Senegal (`000 tons)

Note: () millet, corn, rice, sorghum, fonio; (p) provisional Source: ANSD*

2015/16

2016/17

2017/18

2018/19

2019/20p

2014/15

3.000

2.500

2.000

1.500

1.000

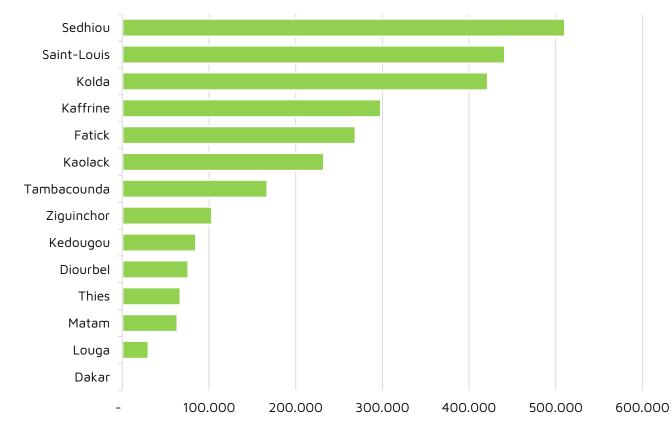
500

2013/14



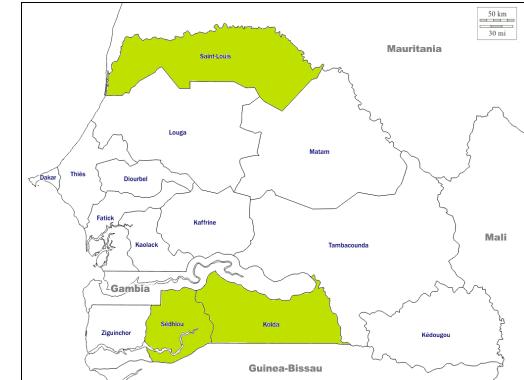
Production of Fruit & Vegetables Senegal (`000 tons)

- Sedhiou, Saint-Louis and Kolda the most important regions for cereal production during agricultural campaign 2019/20
- 50% of total cereal production comes from these three regions
- 42% of cereal production is rice production



Cereal production by region, 2019/20* (tons)





Main production areas of cereals in Senegal

Note: (p) provisional figures Source: ANSD

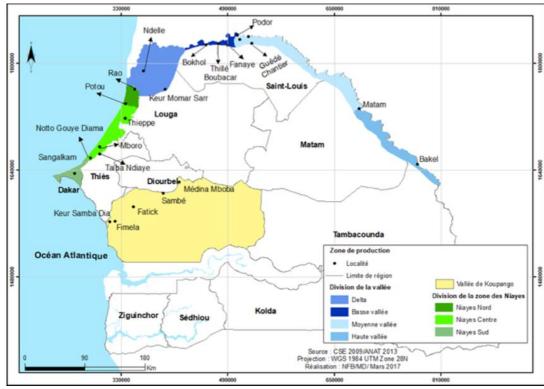
• Main fruit and vegetables produced (excl. oilseeds) are watermelons, cassava, onions

Product	Production 2019/20* (ton)	Production 2018/19 (ton)
Watermelons	1 190 481	1 174 416
Cassava	1 020 092	1 022 802
Onions	520 000	468 000
Potatoes	178 175	160 357
Tomatoes	178 386	167 167
Mangoes	162 500	154 453
Citrus	59 405	61 112
Bananas	48 000	42 000

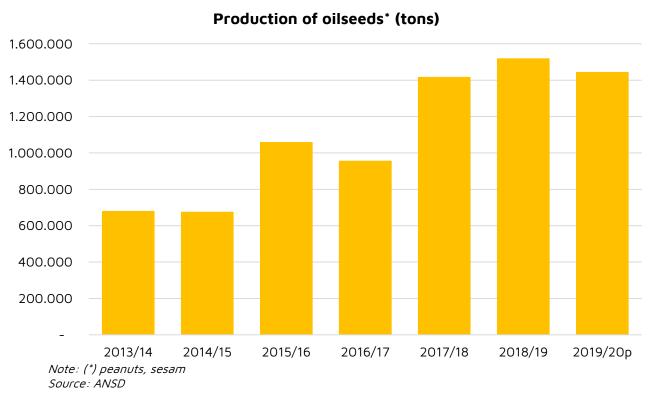
Note: () preliminary figures Source: ANSD*



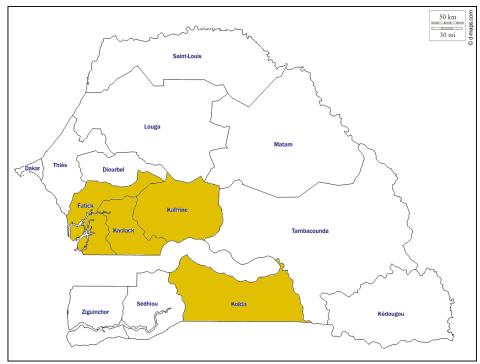
The main production areas of onions in Senegal



- Main agricultural crop produced in Senegal is peanut
- 1.1 million ha. is cultivated for growing peanuts, 1/3 of total cultivated area in Senegal
- Main production area of peanuts is in the region of Kaffrine (19% of total peanut production)
- Provisional figures for agricultural campaign 2019/20 production of peanuts will be around 1.4 million tons, a decrease compared to 2018/19
- Around 6% of peanut production is exported



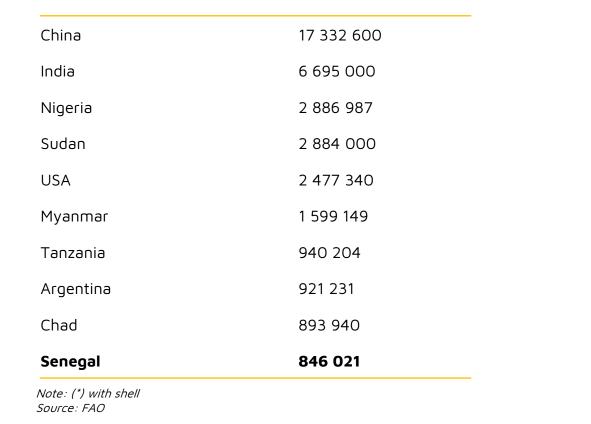
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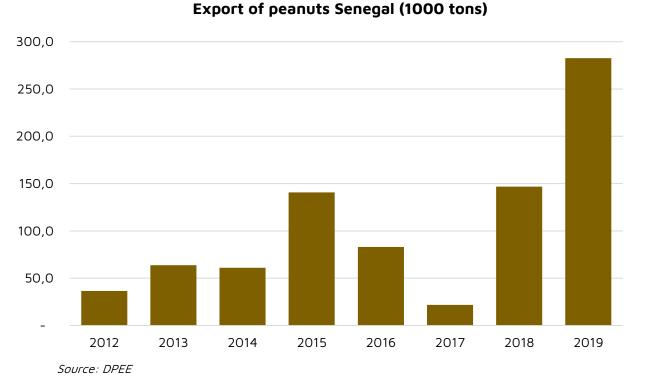


Main production areas of peanuts in Senegal

- Senegal one of the main producers and exporter of peanuts (processed/unprocessed) globally
- Export volumes of peanuts (roasted and unroasted) have fluctuated sharply during the last 7 years
- 2019 experienced a record export volume of 283,000 tons

Top10 groundnuts* (peanuts) producers, 2018 (tons)

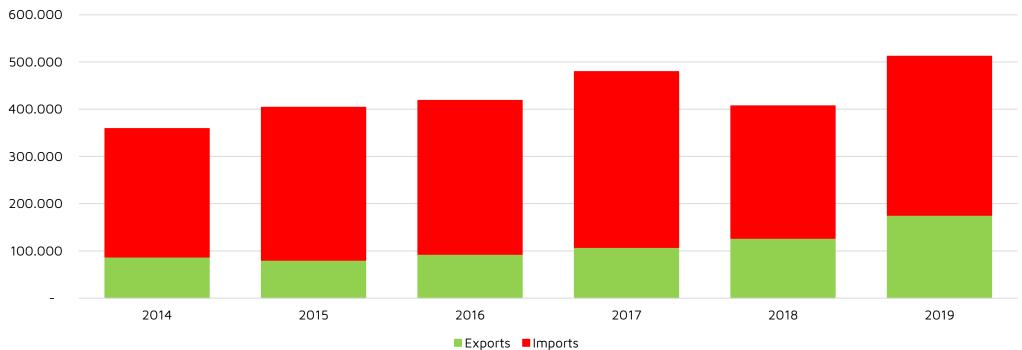






- Export volumes of Fruit & Vegetables is limited; 7% of local production is exported
- Export volumes of Fruit & Vegetables reached almost 180,000 tons in 2019; of which:
 - Fruit 115,000 tons
 - Vegetables 60,000 tons
- Currently Senegal's import volumes of Fruit & Vegetables are double that of exports





Foreign trade Fruit & Vegetables Senegal (tons)

Source: ANSD

Main exports of fruit (incl. nuts) Senegal

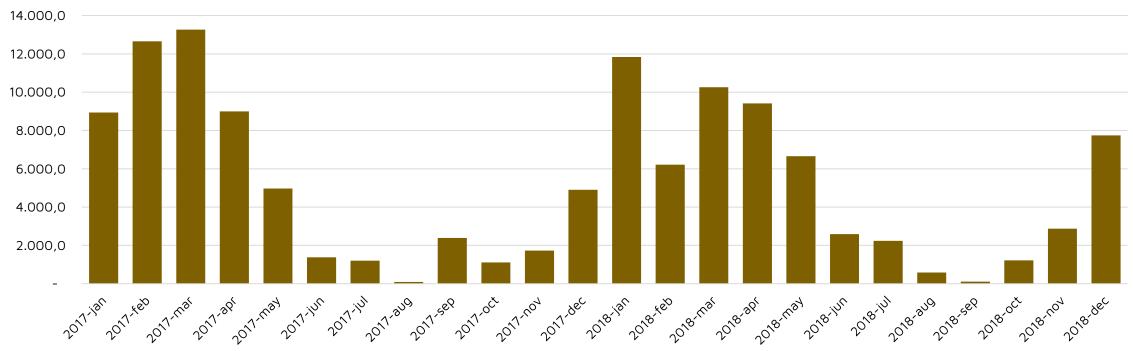
Product	Export volume 2019 (tons)	% in total exports fruit 2019
Coconuts, Brazil nuts and cashew nuts	65 187	56.7
Watermelons, Papayas	32 839	28.6
Dates, figs, pineapples, avocados, guavas, mangoes	16 208	14.1
Others	719	0.6
Total	114 953	100
		Source: ANSD



Main exports of vegetables Senegal

Product	Export volume 2019 (tons)	% in total exports vegetables 2019
Leguminous vegetables	12 949	21.4
Tomatoes	8 332	13.8
Onions	6 359	10.5
Carrots	1 445	2.4
Others	31 343	51.9
Total	60 428	100

- Main production (harvest) season for fresh **vegetables** in Senegal is the period December May:
 - Onions: March June
 - Potatoes: December February
 - Green beans: January March
 - Peppers: February April
 - Tomatoes: March April
- Senegal production of fresh vegetables during European winter makes it an interesting supplier for European markets

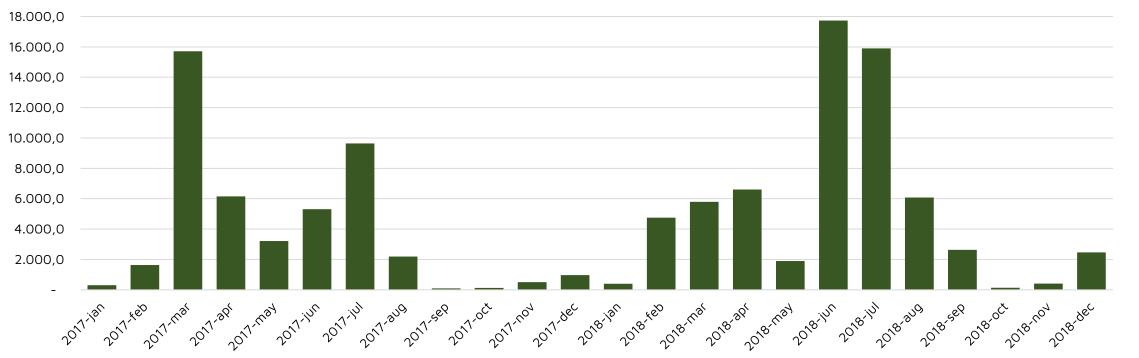


Exports of vegetables Senegal (tons)



- Exports of **fruit** from Senegal consist of a wide variety of products
- Main production (harvest) season is during March August:
 - Melon: February May
 - Watermelon: September October
 - Pineapple: April June
 - Mango: June August





Exports fruit Senegal (tons)

Agro-food industry in Senegal



- It is estimated that there are more than 1,500 commercially active agro-processing companies in Senegal, some 600 are formally established and registered, whereas more than 1,000 operate informally
- Food processing industry provide approximately 750,000 direct and 3.2 million indirect jobs
- Processing of fruit and vegetables is primarily done by SMEs and sold by (female) street vendors
- Food processing is perceived as additional income by many farmer households
- Processing of cereals characterized by (informal) SMEs
- Larger processing industries active in seafood, dairy, oilseeds (specifically peanuts), cotton, tomatoes
- Public company SONACOS (Société Nationale de Commercialisation des Oléagineux du Sénégal) largest company active in processing and selling of peanut seeds and peanut oil (crushing capacity of 350,000 tons of peanuts)
- Private companies SOCAS (Société de Conserves Alimentaires au Sénégal), Agroline, Takamoul, and SNTI (Société Nationale de Tomate Industrielle) are main tomato processing companies



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E-mail: info@meys.eu Website: www.meys.eu