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Cote d'Ivoire

Grain and Feed

Annual Rice Report

1999

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Report Highlights:

Rice production is forecast to increase in 1999/00 to 445 TMT due to good rains and area expansion. Rice consumption is increasing due to available supply, rising population and relatively low price. Rice imports are expected to fall in CY 1999 due to increased domestic production and availability of stocks. Cote d'Ivoire is instituting a new tariff for rice in line with the Common External Tariff for the UEMOA (West African Economic and Monetary Union) countries.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

Abidjan [IV1], IV

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Executive Summary

Post forecasts increased milled rice production to 445 TMT in 1999/00 due to favorable rains and area expansion. Rainfall in 1999 has been favorable for rice production and has encouraged farmers to expand area under production. Field travel shows that crop harvesting has started and indications are that farmers will have a better crop than last year.

Rice consumption is increasing due to supply availability, rising population and relatively low price. Rice prices rose less than other basic food prices over the past year due to low world price and increased domestic supply. The more than 35 percent broken rice continues to make inroads into the Ivorian market by increasing its market share from 7 percent in 1997 to 22 percent in 1999.

Rice imports are expected to fall in CY 1999 because of availability of stocks and increased domestic production. Imports for the first six months of 1999 were 255,662 MT against 284,119 MT for the same period of 1998.

The U.S. re-entered the brown rice market in 1999 and became the only source of brown rice imports. Brown rice imports in 1999 are being undertaken under Food For Progress and PL 480 Title 1 programs.

Cote d'Ivoire is instituting a new tariff structure as part of the move to a Common External Tariff (CET) for the 8 UEMOA (West African Economic and Monetary Union) countries (Senegal, Guinea Bissau, Mali, Burkina Faso, Cote d'Ivoire, Niger, Benin and Togo) effective October 31, 1999. Under the new system, tariffs for all qualities of rice are set at 10 percent except paddy rice which stays at zero.

Exchange Rate: U.S. \$1 =613 F CFA on October 5, 1999.

PSD Table						
Country	Cote d'Ivoire					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		08/1997		08/1998		08/1999
Area Harvested	650	650	600	600	0	700
Beginning Stocks	0	171	0	266	0	161
Milled Production	390	390	360	358	0	445
Rough Production	709	710	655	650	0	810
MILLING RATE (.9999)	5500	5500	5500	5500	0	5500
TOTAL Imports	500	575	550	480	0	510
Jan-Dec Imports	500	518	550	475	0	490
Jan-Dec Import U.S.	1	0	0	28	0	20
TOTAL SUPPLY	890	1136	910	1104	0	1116
TOTAL Exports	1	0	0	3	0	2
Jan-Dec Exports	0	0	0	3	0	2
TOTAL Dom. Consumption	889	870	910	940	0	980
Ending Stocks	0	266	0	161	0	134
TOTAL DISTRIBUTION	890	1136	910	1104	0	1116

Production

Post forecasts increased rice production in 1999/00 due to favorable rains and area expansion. The rainfall in 1999 has been satisfactory for all the types of rice production - upland, lowland and irrigated - throughout the country. In the south, the rains started in late February and became consistent and abundant from April through late July. The rainfall situation favored early planting and crop development. The continued good weather encouraged farmers to put more area under cultivation (with non-irrigated rice production being more favored because of limited input requirements). High input and maintenance cost are reducing irrigated rice area. Similarly in the north, favorable weather has resulted in expanded crop area, and crop development has been satisfactory.

Field travel shows that crop harvesting has started and indications are that farmers will have a far better crop than last year. Farmers interviewed are unanimous about the large size of the current crop. This is evidenced by the huge and many piles of paddy being dried along the major roads. Rice being harvested are mainly the three and four month cycle rice. Rice fields yet to be harvested are in good state.

Marketing of paddy has started and middlemen are buying from outlying farms and taking to nearby villages and towns to be decorticated. Paddy is currently being sold at between 70 and 90 F CFA/kg for three and four month cycle rice,

and 110 to 150 F CFA/kg for six month cycle. Irrigated paddy is sold between 150 and 180 F CFA/kg and is mainly of four month cycle. Local rice is sold at the mills at between 200 and 225 F CFA/kg for 3 and 4 month cycle rice and 300-325 F CFA/kg for six month cycle rice.

Consumption

Rice consumption is increasing due to supply availability, rising population and relatively low price. In 1999, insufficient supply of traditional food stuffs including yams, cassava, plantain, cocoyams and corn has led to a general rise in market prices provoking a public outcry. However, the increase in rice prices was relatively low, tempered by the increased domestic supply brought about by large imports.

The more than 35 percent broken rice continues to make more inroads into the Ivorian market, taking over nearly all the market of the deluxe rice of 0-15 percent broken. While the 16-35 percent broken rice maintains its 75 percent hold on the market, the more than 35 percent broken rice has increased its market share from 7 percent in 1997 to about 22 percent in 1999 because of its price, quality and taste. Deluxe rice accounts for less than 1 percent of the market, losing out because of adulteration which has affected its quality and taste.

In 1999, the retail price of local rice is between 280 and 350 F CFA/kg; imported rice of 16-35 percent broken is between 250-280 F CFA/kg; more than 35 percent broken is between 350 F CFA/kg and 370 F CFA/kg; and deluxe rice between 500 F CFA/kg and 600 F CFA/kg.

Retail prices in 1998 in Abidjan are as follows:

Retail Market Price (F CFA/kg) in 1998 in Abidjan.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Local Rice	318	324	324	324	338	333	343	341	323	298	295	295
Imported Rice *	249	250	250	249	258	252	266	253	250	250	250	250
Deluxe Rice	500	500	500	500	500	500	500	500	502	500	526	529

* Imported rice for mass consumption

Source: Riz Infos No. 5

Trade

Rice imports are expected to fall in CY 1999 due to increased domestic production and availability of stocks. Imports for the first six months of 1999 were 255,662 MT against 284,119 MT for the same period of 1998. Types of rice

imports for the first six months of 1999 were as follows:

Types of Imported Rice in Jan-Jun, 1998 and 1999 (MT)

	1998	1999
Brown Rice	8,393	7,531
0 - 15% brokens	1,050	1,150
16-35% brokens	220,979	187,252
Over 35% brokens	53,697	59,828
Total	284,119	255,662

Origin of Rice Imports (MT), Jan-Jun 1998 and 1999.

	1998	1999
U.S.	219	7,695
Pakistan	50,256	63,930
India	65,809	44,252
Thailand	102,713	81,393
China	10,241	38,398
Vietnam	46,478	19,961
Others	8,403	33
Total	284,119	255,662

Average CIF Price (F CFA/kg) for Imported Rice in 1998

	1 st Trimester	2 nd Trimester	3 rd Trimester	4 th Trimester
Brown Rice	175	n/a	211	n/a
0 - 15% brokens	263	177	148	314
16-35% brokens	161	163	160	160
Over 35% brokens	158	152	158	165

Source: Riz Infos No. 5

Average CIF Price (F CFA/kg) for Imported Rice, Jan-Jun 1999

	Jan	Feb	Mar	Apr	May	Jun	Average
Brown Rice	n/a	n/a	n/a	n/a	161	n/a	161
0 - 15% brokens	426	336	332	316	346	346	333
16-35% brokens	151	157	151	142	153	146	150
Over 35% brokens	150	176	164	177	171	170	170

Source: Projet National Riz

Current price of imported rice is as follows:

Current CIF price (\$/MT) of Imported Rice

Type of Rice	CIF Price (\$/MT)	Origin
0-15% brokens	280	Thailand
25% brokens	232	Thailand, Vietnam
Over 35% brokens	255	Thailand

Rice exports rose in 1999 due to the increased domestic supply from imports. Exports for the first six months of 1999 were 3,215 MT against 314 MT for the same period of 1998. Exports were mainly to Guinea Bissau and were re-exports of 16-35 percent broken rice.

In 1999, Asian rice has maintained its hold on the Ivorian market because of its price competitiveness. Thailand continues to be the main import origin of overall imports while India is the main import origin of 16-35 percent broken rice. The U.S. has regained the brown rice market and became the only source of brown rice imports in 1999. Brown rice imports in 1999 are being undertaken under Food For Progress Program and PL 480 Title 1 program. There is also a small amount of deluxe rice imports from the U.S.

On July 28, 1999, Cote d'Ivoire signed a PL 480 Title 1 Agreement with the U.S. government for \$5 million to purchase brown rice. The total quantity of rice expected to be shipped is 21,000 MT, arriving in December 1999.

Import Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Rice, Milled		
Time period	Jan-Dec	Units:	MT
Imports for:	1997		1998
U.S.	39486	U.S.	431
Others		Others	
Vietnam	226170	India	169288
Pakistan	105160	Thailand	167117
Thailand	51464	China	63215
China	37931	Pakistan	61526
India	9343	Vietnam	49189
		Egypt	4332
		Spain	2622
Total for Others	430068		517289
Others not Listed	113		667
Grand Total	469667		518387

Stocks

Stocks level are expected to fall in 1998/99 due to increased domestic consumption and reduced imports.

Tariffs

Cote d'Ivoire is instituting a new, simplified tariff structure as part of the move to a Common External Tariff (CET) for the 8 UEMOA countries. The CET combines the existing fiscal duty (droit fiscal) and customs duty (droit douane) into one port duty (droit porte). Generally, CET reduces existing tariff levels. The CET sets the tariff for all rice at 10 percent (except paddy, which stays at zero). The new duties were initially expected to be activated on September 30, 1999, but have been rescheduled to come into effect on October 31, 1999.

Cote d'Ivoire New Tariff Structure

	Old Tariff	New Tariff
Paddy rice	0%	0%
Brown rice	5%	10%
0-15% broken rice	25%	10%
Over 15% broken rice	15%	10%

Marketing

The proposed new tariff structure will severely erode the Ivorian market for U.S. brown rice, the principal U.S. grain export to Cote d'Ivoire. In addition, it will hurt Ivorian rice farmers and will cause Ivorian industrial rice mills to close. Conversely, the new tariff will make rice cheaper, as over 50 percent of rice consumed in Cote d'Ivoire is imported milled rice. The situation is complicated by Ivorian consumers being restive with inflation rocketing and presidential elections on the horizon.

However, the government mindful of its policy to develop domestic rice production and its infrastructure is weighing several policy options to get around the CET tariffs. One option said to be adopted in June but quickly shelved in July was a reference system, whereby ad valorem duties would be applied on the basis of a reference, not the CIF price. Reference prices would be 250 F CFA/kg for deluxe rice and 230 F CFA for over 15% broken, if the decision were made to implement them. This policy conflicts with Cote d'Ivoire engagement with WTO. Other policy options are being considered.

Local paddy processed by large mills continue to fall in 1998/99 due to high cost and scarcity of paddy. Large industrial mills processed about 2,000 MT, down from 8,000 MT processed in 1997/98 marketing year. Small decorticating machines spread throughout the producing areas processed the bulk of Ivorian production. This situation will continue in 1999/00.

