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Report Highlights:

Milled rice production for MY 2020/21 is projected at 1.4 million metric tons (MMT). Post projects MY 2020/21 imports at 1.3 MMT, unchanged from the MY 2019/20 estimate. Domestic production for MY 2019/20 is revised downward to 1.25 MMT due to multiple pressures upon both area and yield. Despite production challenges and fears of export restrictive policies in major supplier countries, Post estimates total rice imports to remain stable at 1.3 MMT in 19/20. Overall stock levels are reported to be healthy in the event of any major supply disruptions. The national strategy for rice, as well as its primary authorities over the sector, underwent several changes over the past year. An official production target of 2.0 MMT, originally planned for 2020, has been moved back to 2025.

2020 Côte d'Ivoire Grain & Feed Annual: Rice, Milled

Production:

In MY 2020/21, Post projects milled rice production at 1.4 MMT, just above the current record of 1.399 MMT from MY 2015/16. This is a 12 percent year-to-year increase from Post's current MY 2019/20 estimate of 1.25 MMT, but it should be noted that production in the current campaign has come in below expectations. GOCI's stated commitment towards boosting rice productivity and resulting support for the sector should not be underestimated. However, to date the numerous challenges facing the sector have not been addressed sufficiently. Challenges to increasing productivity do not bode well for achieving official production targets in the near future.

Post's estimated MY 2019/20 milled production of 1.25 MMT is based on most recent available statistics of domestic paddy production, currently at 1.9 MMT. This represents a 4 percent decline in production from MY 2018/19. Interviews and surveys, as well as GOCI observations suggest that swings in weather patterns negatively affected yields in the Gôh-Djiboua, Lacs, and Sassandra-Marahoué districts. GOCI also highlights artisanal mining's overlap with rice cultivation as an additional pressure on productivity; specifically through the country's central districts of Lacs, Sassandra-Marahoué, and Vallée du Bandama. Sassandra-Marahoué has the highest concentration of rice production in the country. Throughout the country, increasing competition for acreage with other crops such as garden vegetables and oil palm has further pushed rice area downward.

For the current campaign, irrigated rice accounts for 3 percent of area and 10 percent of production. Upland rain-fed rice accounts for 45 percent of area and 21 percent of production. Rice grown in lowland floodplains is the largest contributor to national production, accounting for 51 percent of area and just under 70 percent of total production. While lowland and irrigated rice is dispersed throughout the country, if slightly concentrated in the central and southern districts, nearly three quarters of upland rain-fed production occurs in the northernmost districts of Denguêlé, Savanes, Vallée du Bandama, and Woroba. The largest concentration of irrigated rice production centers around the Daloa area of Sassandra-Marahoué district, but irrigation in domestic farming is still very much the exception. For upland rice growing areas in the more arid north, less predictable patterns of precipitation are a growing concern among producers.

The largest concentration of national production is in Sassandra-Marahoué, Savanes, and Montagnes districts, though rice is cultivated extensively throughout the country. Among the major producing areas, there are distinct differences not only with regards to suitable varieties, but also to what extent the rice enters the national supply chain. Of the three largest producing regions, nearly three-quarters of Savanes production remains in local areas for consumption. That same figure stands at just 38.6 percent for Sassandra-Marahoué, illustrating higher yields of lowland/floodplain production, and also suggesting the district's production is better connected to larger urban markets around the country. Montagnes district, at 56.2 percent local usage, also consumes less of its harvest locally than Savanes. However, given its proximity to both Guinea and Liberia, there are indications that domestic paddy in border areas is often exported to these countries informally. In general, the northern districts have a higher rate of local consumption of their production. This aligns with overall socioeconomic situation in the country in which northern areas are often more subsistence based, and less integrated with Abidjan, the country's economic hub. Figure/Table 1 below illustrates the current national production situation for MY 2019/20.



Figure/Table 1: Distribution of Domestic Rice Production, MY 2019/20

- 1. Bas-Sassandra
- 2. Comoé
- 3. Denguêlé
- 4. Gôh-Djiboua
- 5. Lacs
- 6. Lagunes
- 7. Montagnes
- 8. Sassandra-Marahoué
- 9. Savanes
- 10. Valleé du Bandama
- 11. Woroba
- 12. Zanzan
- ★ Yamoussoukro

Share of National Production:

Less than 1%
1-5%
5-10%
10-20%
20-30%

District	Rough Production	Share of Nat'l	Consumed
	(MT)	Production	Locally
Bas-Sassandra	58,324	3.1%	74.6%
Comoé	55,596	3.0%	59.9%
Denguêlé	69,681	3.7%	75.9%
Gôh-Djiboua	175,569	9.3%	51.1%
Lacs	31,199	1.7%	41.4%
Lagunes	22,259	1.2%	53.3%
Montagnes	301,302	16.0%	56.2%
Sassandra-	536,660	28.5%	38.6%
Marahoué			
Savanes	404,582	21.5%	73.5%
Vallée du	106,364	5.6%	30.9%
Bandama			
Woroba	105,416	5.6%	69.4%
Zanzan	6,983	0.4%	45.8%

Source: GOCI

Note: Abidjan/Yamoussoukro not listed, accounting for less than 1% of production

Through its most recent National Strategy for Rice Development (SNDR) for the 2020-2030 period, GOCI seeks to achieve 2.0 MMT of milled production by 2025, which roughly translates to self-

sufficiency based upon the government's official domestic consumption estimate. By 2030, the strategy seeks to raise Ivorian rice production and competitiveness even further to become a supplier to regional neighbors as well.

By current estimates, Côte d'Ivoire is the sixth-largest rice producer in Sub-Saharan Africa, behind Guinea, Madagascar, Mali, Nigeria, and Tanzania. The stated priorities of the 2020-2030 SNDR in general are to get improved inputs to producers in much higher quantities, and to also boost domestic milling capacity considerably. The latter has seen significant progress, but provision and uptake of inputs among producers continues to be low, and many continue to rely on traditional seed preservation and limited use of fertilizers/pesticides.



Table 2: Côte d'Ivoire Rice Production vs. Africa's Top Producers

Source: USDA PS&D *USDA/Post Estimates

Consumption:

Post projects MY 2020/21 consumption at 2.45 MMT, expecting a steady upward trajectory of roughly 1.5 to 2 percent annually as a reflection of changing diets, demographic shifts, and population growth. It must be noted that the country's rate of consumption remains problematic to precisely quantify. GOCI, for example, has pegged annual consumption at 2.0 MMT for the purposes of its official 2025 production targets. Aside from being on the low end of estimates, the SNDR's objective of achieving 2.0 MMT of production by 2025 does not appear to account for the country's continued growth in demand for rice over the next five years. Other estimates indicate that the country's annual per capita consumption could be in the range of 80-100kg. With a 2019 estimated population of 25.7 million, this would put total annual consumption in the range of 2.1 - 2.6 MMT. In the absence of strong data indicating lower consumption, Post's estimates are based primarily upon available production and trade data, and are at the higher end of this scale. There are indications that a sizeable portion of imports to

Côte d'Ivoire, given the logistical advantages of the Port of Abidjan, are transshipped to neighboring countries.

In recent years, the country's milling infrastructure has expanded significantly. Since 2014, the government has planned for the installation of 30 milling factories with 5 ton/hour capacity. Currently, ten of these facilities are either complete or nearing completion. Four of those factory mills in Savanes and Vallée du Bandama district were recently sold to the *Société Organisation de Conseil et Management de Côte d'Ivoire* (SOCOMCI), a private entity and producer of the Princesse Maro and Super Taha brands of local rice. In the coming year, an additional four facilities in the country's west are set to be sold to companies operating in the rice sector. While local production stagnates, the country's milling capacity has expanded rapidly. The factory mills now open for processing face challenges in procuring enough domestic paddy rice to run at or near capacity.

Trade:

Post projects MY 2020/21 milled rice imports at 1.3 MMT, unchanged from MY 2019/20. Vietnam remains the primary origin of milled rice imports, but recent announcements of export restrictions from that supplier have alarmed importers. China's sudden surge of low-priced exports to Côte d'Ivoire in the past three years appears to have abated. Despite recent concerns for trade disruptions due to the coronavirus and trade restrictive policies in exporting countries, Post expects MY 2019/20 trade to maintain pace. While imports of rice for February 2020 dropped to 40,000 MT, the lowest monthly total in nearly five years, March 2020 imports rebounded to 103,000 MT. In the first week of April alone, two shipments of Thai rice totaling nearly 50,000 MT reportedly landed at the Port of Abidjan.



Figure 2: Major Rice Suppliers to Côte d'Ivoire (MY, Oct-Sep)

Source: Trade Data Monitor (TDM) *YTD, October 2019 – March 2020

Côte d'Ivoire remains the fifth-largest rice importer globally, second only to Nigeria in Sub-Saharan Africa. Just two companies in Abidjan account for two-thirds of the country's rice imports. In January

2020, the Port of Abidjan began construction on a new grain terminal. When completed, it will reportedly accommodate vessels holding up to 40,000-50,000 MT.¹

There are indications that the Port is a major transshipment point for Asian-origin rice to other countries in the region. Much of this is captured in official trade statistics, but there are potentially sizeable quantities of rice logged as imports to Côte d'Ivoire which are then re-exported throughout the region, primarily to Ghana and possibly several other countries in the Sahel. Limited customs capacity at overland borders makes quantifying this trade very difficult, but transshipments could be in the hundreds of thousands metric tons. This trend is due in part to the Port's links to inland markets, but also reflect Ghana's higher duty applied to milled rice, currently at 20 percent. Côte d'Ivoire applies only a 10 percent duty to milled rice, and given proximity and ease of transporting goods into Ghana, this increases the likelihood of informal trade.





Source: TDM

The primary trade storylines through MY 2019/20 to date include the abrupt slowdown of Chinese rice into the market, and indications that Vietnam's status as primary supplier could shift significantly given the emergence of export restrictive policies in that country. In recent months, India has accounted for a larger share of rice imports, but importers are watching closely for any export delays or restrictions. Imports of Thai rice, which fell off in recent years, are also returning to the market as evidenced by trade

¹ Commodafrica, <u>http://www.commodafrica.com/20-01-2020-au-port-dabidjan-la-construction-du-terminal-cerealier-est-lancee</u>

data in March and reported landings of Thai rice in early April. Pakistan and Myanmar are steady if somewhat peripheral suppliers.

In addition to GOCI's target of reaching 2.0 MMT annually by 2025, the most recent SNDR also aspires to export to the region by 2030. However, Post does not anticipate any sizeable exports in the near future beyond the informal trade in paddy rice in border areas, currently projected at 100,000 MT in MY 2020/21. Based on currently available data and diminished domestic production, Post estimates 2019/20 exports at no more than 50,000 MT.

Stocks:

Post projects MY 2020/21 ending stocks at 978,000 MT. Throughout multiple cereals, GOCI is reporting good availability of stocks in the current year. MY2019/20 ending stocks are estimated at 828,000 MT from 728,000 MT the year prior. Despite a dip in production and fears of a surge in panic buying, the country's importers remain sufficiently active in purchasing rice to maintain current stock levels. At present, the government reports national stocks are roughly equal to five months' consumption. There are indications GOCI wishes for traders to bolster this further in the coming months, but at present Post expects the pace of imports to continue as normal.

On farm stocks are generally estimated at 250,000 MT paddy, with milled rice making up the remainder of national stocks. In the current campaign, GOCI estimates stores of domestic paddy rice at 247,000 MT, or approximately 160,000 MT milled basis. The remaining 668,000 MT in estimated stock consists of imported milled rice. Overall, this total stock represents 4-5 months of supply depending on one's calculation of national consumption. The small increase in stocks over the 2019/20 - 20/21 market years mainly reflects expectations of higher production along with sustained imports by traders.

Policy:

GOCI itself recognizes that domestic production stagnated in recent years, despite intentions to achieve at least 2.0 MMT of domestic production. Over recent campaigns, several changes took place within the governmental structures that oversee the rice sector and are charged with funding and policy authority. The *Office National de Developpement de la Riziculture* (ONDR) was replaced in name by the *Agence pour le Developpement de la Filiere du Riz* (ADERIZ). ADERIZ is essentially the same structure and personnel, but reportedly with increased flexibility and funding authority in terms of driving progress towards the new 2020-2030 SNDR. Overseeing the entire rice sector and national efforts towards increased productivity is the newly-formed Ministry of Rice Promotion (MPR), headed by Gaoussou Toure, previously the country's Minister of Transport. Implementation of the SNDR is assigned to ADERIZ, with the new Ministry becoming an overarching authority of the sector in place of the Ministry of Agricultural and Rural Development.

In justifying the SNDR, policymakers frame the country's status as a global top five importer of rice as a threat and highlight perceived untapped potential in lands suitable for rice cultivation throughout the country. Favorable climate and rainfall, a strong base of producers, and the existence and further development of local rice varieties with potential for higher yields are also seen as important assets to leverage in future efforts to raise productivity. Like many other countries in the region, Côte d'Ivoire leaders speak of rice supply and demand in stark terms and as a vital matter of food security.

In the latest iteration of the SNDR, the newly-established MPR claims the strategy will include implementation of integrated projects throughout the value chain, new agricultural methods, and the rehabilitation of 64 dams and other key structures. To illustrate the country's challenge in achieving these targets, during a major agricultural conference in Abidjan in late 2019, the ADERIZ Director General observed that "we are running behind a hare that is faster than us". Though unlike other countries in the region, many of whom are also setting self-sufficiency targets in rice and shunning imports, ADERIZ insists that it seeks to compete with Asian-origin rice by investing in a more productive and innovative sector rather than implementing protectionist policies.² GOCI appears to acknowledge that sustained imports of milled rice, and possibly increased imports of rough rice to be funneled into the country's newfound milling capacity, are necessary at least in the short term.

The latest SNDR was updated with technical support from the Coalition for the Development of Rice Cultivation in Africa (CARD) which is a joint initiative between the Alliance for a Green Revolution in Africa (AGRA) and the Japanese International Cooperation Agency (JICA). CARD is comprised of 23 African member countries. CARD, established in 2008, originally set the goal of doubling African rice production from 14 MMT to 28 MMT by 2018. In 2015, CARD members agreed to continue the initiative beyond 2018.³ Based on USDA official data, Africa's total rice production increased to an estimated 23.2 MMT in MY 2019/20 due to a number of different variables.

Government/Industry Reactions to COVID-19 Disruptions

In early April 2020, Côte d'Ivoire's rice producers appealed to the government, noting the country's sufficient rice stocks but raising alarm at the sudden increase in demand for cereals, and seeking to reinforce the case for achieving greater productivity in rice. Rice producers called for interventions under the SNDR to be accelerated, specifically: increased local production of seed, adding an additional production cycle on 35,000 hectares of well-developed rice land and increased extension and input provision to reach an average of 5 tons/ha in these more developed areas and 3 tons/ha in plains and lowlands. To date, GOCI has not committed to additional targets or emergency measures beyond the current SNDR.

Marketing:

As modern milling facilities continue to come online and link with producers, most local consumption still runs through small and informal milling operations. The resulting milled product is of low quality and rarely packaged or branded in a formal way. The supply chain for imported rice is highly structured through formal actors that possess extensive warehousing, purchasing centers, and means of transport. Conversely, local rice has numerous fragmented and informal supply chains in which small quantities are traded without formal packaging, and the storage infrastructure is much less developed. Suitable financing mechanisms for these distributors is also not widely available.

Prior to abrupt coronavirus-related changes in the global rice market, Nora Rice, a common locally produced brand, sold at about 430-450 XOF per kilo⁴, with Vietnamese rice in the middle range of imported prices selling at around 460 XOF. Thai and Indian varieties often sell slightly above. When faced with these choices, the average Ivorian consumer remains inclined to select the imported variety.

² Commodafrica, <u>http://www.commodafrica.com/03-12-2019-sara-2019-yacouba-dembele-dans-la-filiere-riz-court-derriere-un-lievre-plus-rapide-que</u>

³ AGRA, http://agra.org/2015AnnualReport/milestones/coalition-for-african-rice-development

⁴ 1 USD = 590 XOF at time of observation, late 2019.

While the quality of local rice has improved in recent years, consumer perceptions are still catching up to this trend.

Prices below were recorded in late 2019 at the SOCOPRIX in Abidjan. SOCOPRIX is a middle to lower-end retail/semi-wholesale store that serves a wide cross-section of the Ivorian market. Moderately more upscale than traditional open-air markets, yet more accessible to the average urban consumer than modern supermarkets such as Casino, Carrefour, and Cap-Sud, which are more commonly frequented by wealthier consumers.



Images (left to right): Vietnamese 5kg bag 2300XOF, Local Rice 25/10 kilo bags, 10,750/4,500 XOF

In the past 2-3 years, China supplanted other origins as the primary rice supplier to the country. However, bagged rice labeled as Chinese-origin is notably absent from the local market. It appears that most Chinese-origin rice is sold in 50 kilo bags at 15,205-16,000 XOF, which translates to roughly 300-320 XOF per kilo. The most common point of sale is traditional open-air markets in which merchants sell small quantities directly to the most price-sensitive consumers by scooping directly into smaller plastic bags and selling by weight. In MY 2019/20, imports of Chinese rice appear to have retreated from the market as quickly as they entered in MY 2016/17.

The images below offer a selection of locally available rice varieties. For the U.S. origin rice, the listed retail price of 2,500 XOF, or approximately 550 XOF per kilo, was solidly within the middle range of other local and imported rice available at the time. Local rice retailed at 460-590 XOF per kilo, Vietnamese jasmine retailed at 600 XOF per kilo, and premium Thai jasmine retailed at 740 XOF per kilo. Given the consistently higher price for U.S. origin rice, American rice is on the market infrequently. Post expects local prices for imported milled rice to fluctuate and vary widely as the year progresses, as sudden price increases on the global market and possible import delays begin to filter down. While GOCI instituted some price controls on cleaning and sanitizing products at the outset of the COVID-19 crisis, there have been no policies implemented to date with regard to price controls of food staples.



Image: American-origin, 4.5-kilo bag, 2,500 XOF



Images (left to right): Local rice 5kg bags 2300/2950 XOF



Images (left to right): Vietnamese 4.5kg bag 2700XOF, Premium Thai 5kg bag 3700XOF

Production, Supply and Distribution Table:

Rice, Milled	201	8/19	2019/20		2020/21		
Market Begin Year	Oct 2018		Oct	2019	Oct 2020		
Cote d'Ivoire	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	875	875	900	750	0	875	
Beginning Stocks	524	524	428	728	0	828	
Milled Production	1304	1304	1400	1250	0	1400	
Rough Production	2006	2006	2154	1923	0	2154	
Milling Rate (.9999)	6500	6500	6500	6500	0	6500	
MY Imports	1350	1350	1350	1300	0	1300	
TY Imports	1400	1400	1450	1350	0	1350	
TY Imp. from U.S.	12	12	0	0	0	0	
Total Supply	3178	3178	3178	3278	0	3528	
MY Exports	100	100	100	50	0	100	
TY Exports	100	100	100	50	0	100	
Consumption and Residua	2650	2350	2650	2400	0	2450	
Ending Stocks	428	728	428	828	0	978	
Total Distribution	3178	3178	3178	3278	0	3528	
Yield (Rough)	2.2927	2.2927	2.3932	2.5641	0	2.4615	
(1000 HA) ,(1000 MT) ,(MT/HA)							

Attachments:

No Attachments