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Report Name: Grain and Feed Annual

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Post: Accra

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Report Highlights:

Milled rice production for MY 2022/23 is projected at 1 MMT, this is unchanged from the MY 2021/22. Post projects MY 2022/23 imports at 1.25 MMT, a 3.8 percent decrease from MY 2021/22. Overall stock levels are reported to be high in order absorb any short-term supply disruptions.

Production:

In MY 2022/23, Post projects milled rice production to be unchanged from MY 2021/22 at 1 MMT, a 28 percent decrease from the current record of 1.4 MMT set in MY 2015/16. Variations with the weather and climate change are major concerns for rice producers as Cote d'Ivoire fails to meet national production targets. Increases to production cost, mostly due to the rising price of agricultural inputs have industry sources concerned about decreased yields.

Post estimated MY 2021/22 milled rice production at 1 MMT based on current paddy rice projections, currently at 1.6 MMT. This represents a 4.7 percent decline in production from MY 2020/21.

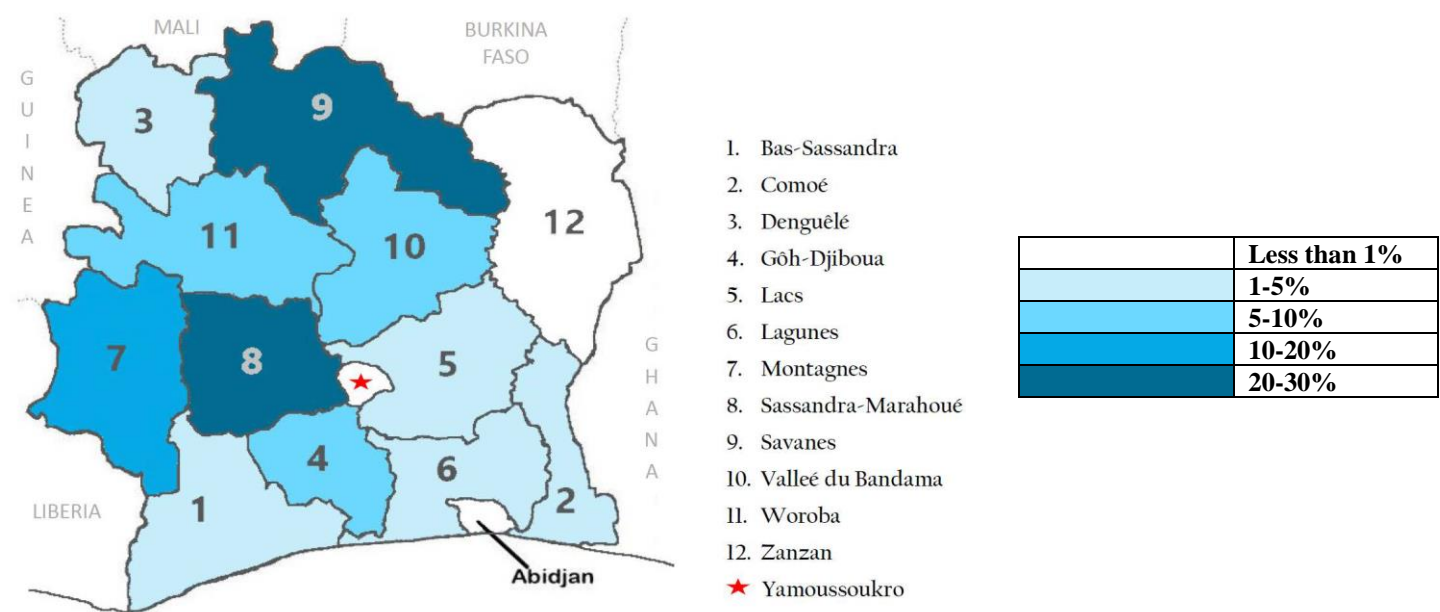
For the current season, irrigated rice accounts for only four percent of the total cultivated area. Upland rain-fed rice accounts for 47 percent of the area planted. Rice grown in lowland floodplains is the largest contributor to national production, accounting for 49 percent of the total area planted. Overall, MY 2021/22 has seen a six percent increase in total area harvested. The most significant increase has been observed in irrigated rice, up 15 percent from MY 2020/21. Lowland floodplains also saw an increase of eight percent while upland rain-fed rice increased by three percent. However, MY 2020/21 saw a decrease in productivity of 3 percent and 6 percent for irrigated rice and lowland floodplains, respectively. This slowdown in production is the result of small-scale producers using a combination of old and low-quality seed, compounded by weak fertilizer usage. Post estimates that this trend is not expected to change this season. Since the beginning of MY 2021/22, fertilizer prices have increased 130 percent. The increase in total harvested area will not increase rough rice production. The rise in production costs will cause farmers to use less fertilizers which will ultimately impact yield. Overall, Post estimates that MY 2022/23 milled production will be stable due to yield decrease.

While lowland and irrigated rice is widely distributed throughout the country, upland rain-fed rice cultivation is concentrated in the northernmost districts of Denguélé, Savanes, Vallée du Bandama, and Woroba. The largest concentration of irrigated rice is in the Sassandra-Marahoué and Montagnes districts, however, this form of rice production is not widely used. Rice producers in the upland growing areas are becoming increasingly concerned about less predictable rainy seasons and prolonged drought.

From MY 2017/18 to MY 2020/21, rice production decreased 17 percent. Factors contributing to this include poor irrigation, lack of mechanization, access to financing, poor post-harvest handling practices, lack of suitable infrastructure, and a lack of quality inputs and certified seeds. Several years ago, the Government of Cote d'Ivoire (GOCI) delegated seed production and its distribution to the private sector, however, this action led to some challenges in supplying rice producers. These challenges are mostly due to delays in payment for the private companies. To fix current challenges in the seed sector, the GOCI established several seed conditioning centers funded by the Islamic Development Bank. When fully operational, these seven centers will provide an annual seed supply of 26,000 MT.

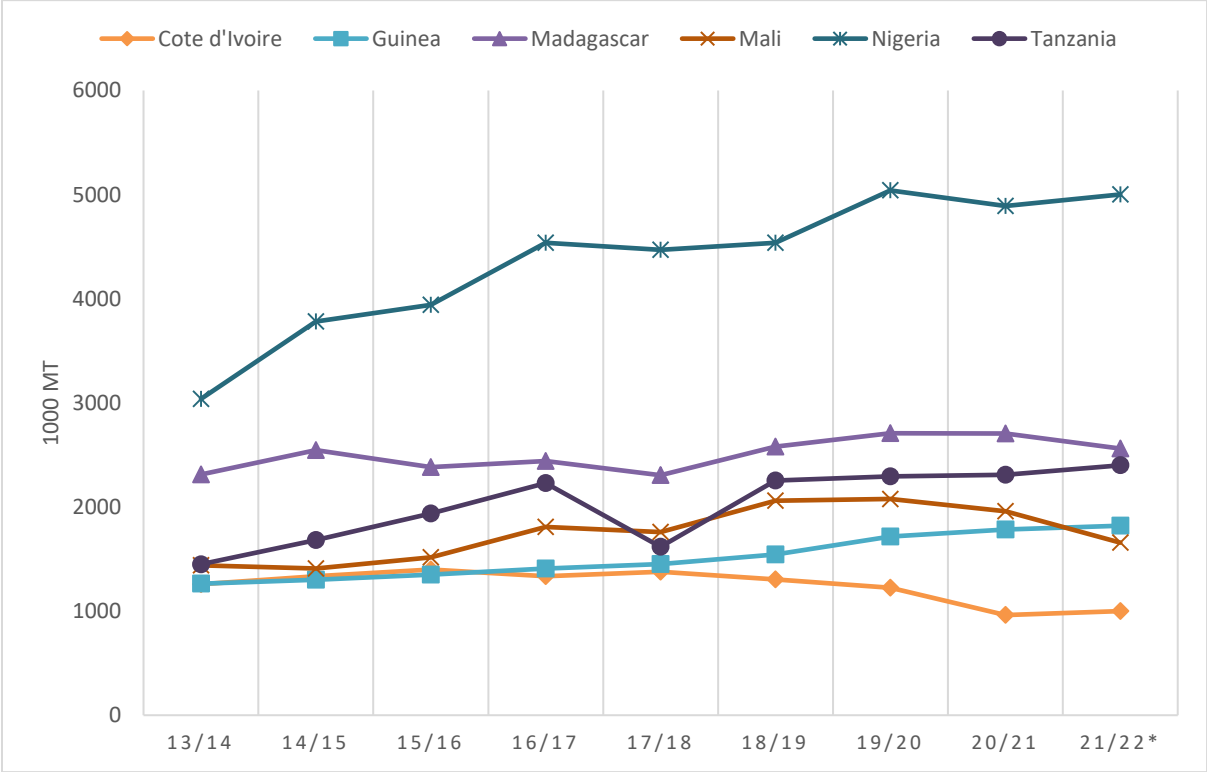
Côte d'Ivoire is the sixth-largest rice producer in Sub-Saharan Africa, behind Nigeria, Madagascar, Tanzania, Mali, and Guinea. In the current market year, it is estimated that 47 percent of the national crop will be kept by the producer for consumption in the household or within the immediate community.

Figure 1: Domestic Production Zones & Distribution



Share of National Production:
Source: Agence pour la Développement de la Filière Riz en Côte d'Ivoire (ADERIZ)

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



Source: USDA Production Supply & Distribution (PS&D); *USDA/Post Estimates

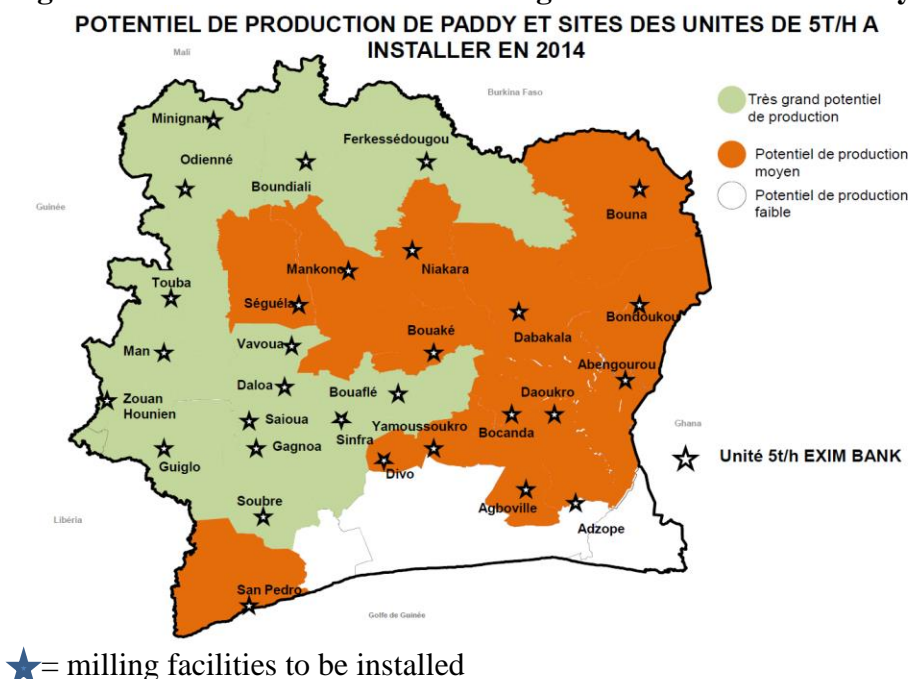
The GOCI seeks to reach a milled capacity of 2 MMT by 2025 through the 2020-2030 National Rice Development Strategy (SNDR) which works to provide improved inputs to producers and to considerably boost domestic milling capacity. The SNDR strategy aims to increase Ivorian rice production and competitiveness even further by 2030 by becoming a regional exporter. The SNDR strategy clearly demonstrates the willingness of the state, industry, and other stakeholders to increase productivity, but the limitations in connecting producers with better inputs, financing, and infrastructure will continue to stymie the sector's growth.

Consumption:

Post projects MY 2022/23 consumption at 2.45 MMT. This is only a 4 percent increase compared to the current season. This slight increase in consumption is justified by the overall economic slowdown. Post expects that MY 2021/22 is facing the same constraints and will reach 2.35 MMT. To help achieve Côte d'Ivoire's official 2025 production targets, the GOCI has pegged annual consumption at 2 MMT. Aside from the estimate being on the low end, the SNDR's production objective does not appear to account for the country's continued increase in demand for rice over the next five years. Unofficial data estimates the country's 2022 annual per capita consumption of rice to be 84 kg, a 20 percent increase over the last ten years. While the current population is estimated to be at around 28 million, population growth and changing diets will almost certainly increase the consumption trend further. As a result, rice imports will continue to play an important role in Côte d'Ivoire for the foreseeable future.

Although domestic production continues to lag, the country's milling infrastructure has expanded significantly and is succeeding GOCI's goal of modernizing and expanding. In 2014, the GOCI planned to install 30 milling facilities with a capacity to process 5 tons/hour (hr). To date, twenty of these mills are fully operational and another 10 will be online before the end of 2022. It is expected that all these facilities will be managed by private companies. These new mills will operate alongside many older mills with lower output capacity.

Figure 3: Production Zones and Milling facilities to be installed by December 2022



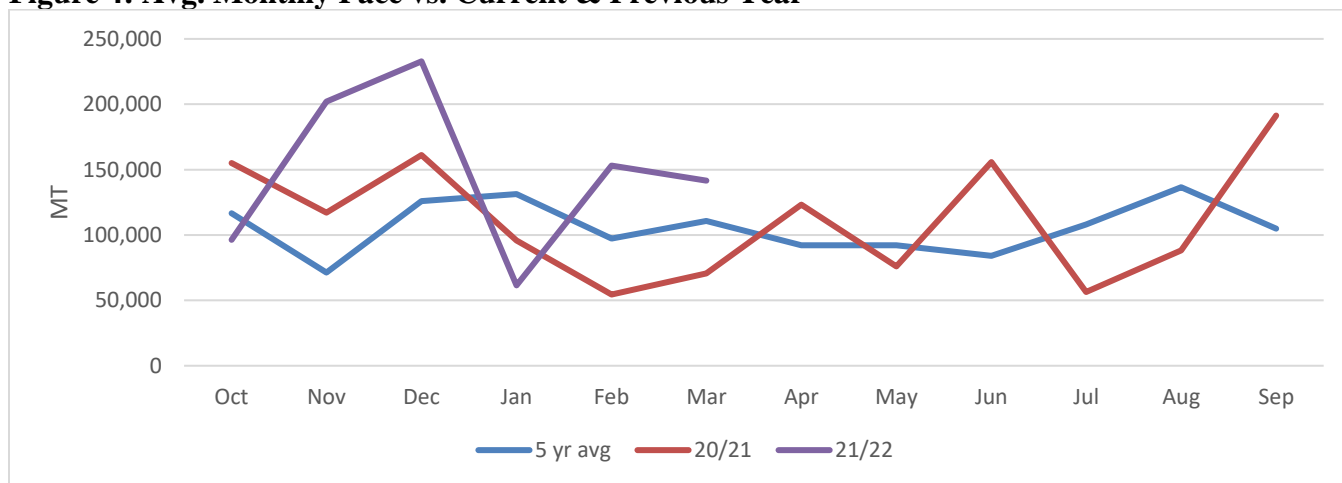
Post expects that modern mills that process 5 tons/hr. will require supplementary rough rice to operate at profitable levels. The companies running these mills are a mix of domestic and multinational organizations. Multinationals include Louis Dreyfus (LDC), Gan Logis, RMG Concept, and Singapore Agritech, while local companies such as *Societe Ivoirienne de Riz* (SIRIZ) and Agricultural Management Company-Food and Commerce (AMC-FC) compete as the two largest national companies.

Trade:

Post projects MY 2022/23 imports at 1.25 MMT, a slight decrease from MY 2021/22 estimate of 1.3 MMT. Despite production challenges, the pace of imports slowed significantly in the current year. This trend is not expected to change soon due to the crisis in Ukraine and high shipping costs. Although the international rice price index did not change since the beginning of the Russian invasion¹, the increase in international demand for rice from Asian markets may have an increase on prices in the future.

The current growing season has seen a rise in the number of imports since the beginning of the marketing year due to record numbers coming in, in November (187 percent) and December (84 percent), compared to the last five-year average. The return to business as usual after the economic slowdown from the pandemic has increased the pace of imports since the beginning of the season. However, considering the crisis in Ukrainian and the associated rise in shipment costs, Post does not expect this trend to continue past 2022.

Figure 4: Avg. Monthly Pace vs. Current & Previous Year



Source: PS&D; *USDA/Post estimates

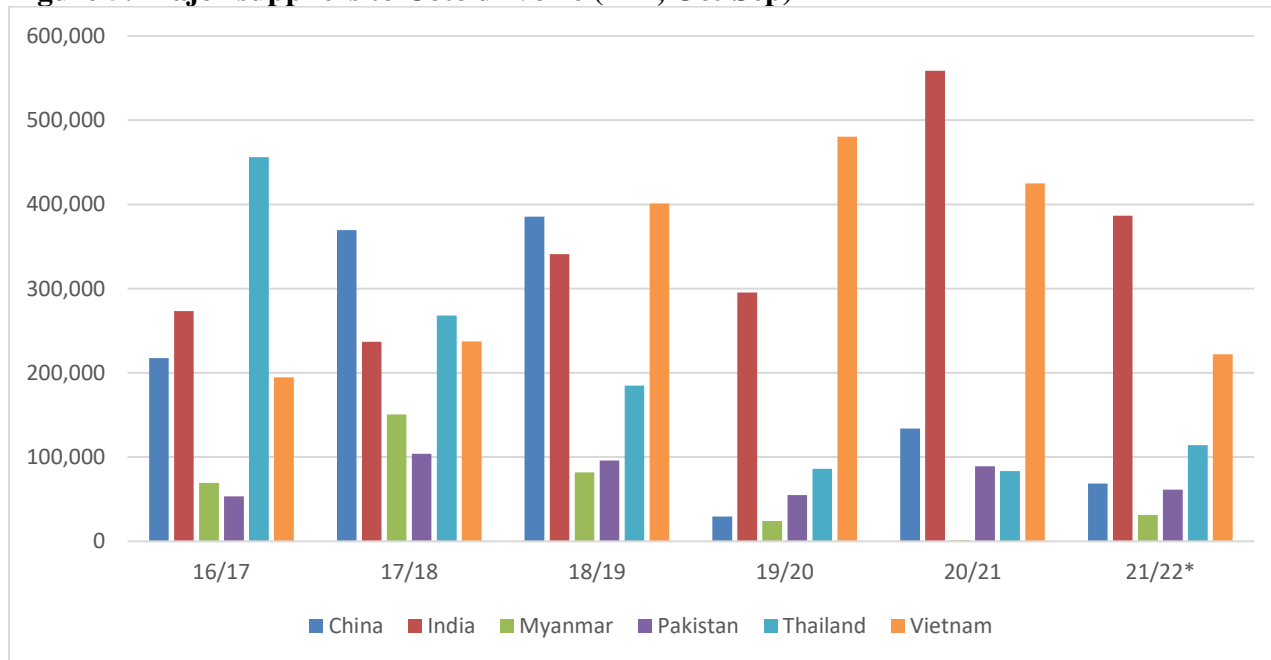
Post estimates MY 2021/22 imports to be 1.3 MMT, a 3.7 percent decrease from MY 2020/21. The rise of local prices has led to an erosion of local consumer purchasing power and has slowed rice imports since January, therefor, Ivoirian households have shifted to more competitive local rice brands.

Despite the current slowdown in the import pace over the past two years, Côte d'Ivoire remains among the top-five largest rice importers globally, still sourcing roughly 50 percent of its consumption requirements via the global market. The top exporting countries are India, Vietnam, Thailand and, more recently, China. Since the beginning of this market year, India and Vietnam remain the top exporting

¹ https://www.infoarroz.org/porta1/uploadfiles/20220315041508_15_ia0222fr.pdf

countries while Thailand has returned to the market with 115,000 MT of milled rice in the first half of the year. This represents a 38 percent increase compared to the total quantity of Thai rice imported for MY 2020/21. Just two companies in Abidjan account for two-thirds of the country’s rice imports, with the Port of Abidjan serving as the main port of entry for rice in the country and to neighboring countries.

Figure 5: Major suppliers to Cote d'Ivoire (MY, Oct-Sep)



Source: Trade Data Monitor (TDM); *YTD, October 2021 – March 2022

Aside from monetization and food aid, U.S. rice has been absent from the country's commercial sector for some years due to its higher price. However, products originating from the U.S. or those that have an American brand are seen positively and are associated with excellent quality. Rice is no exception, and many traders and customers recall a time when American rice was more commonly accessible on the local market.

In addition to GOCI’s target of reaching 2 MMT annually by 2025, they also aspire to be an exporter to the region by 2030. Since MY 2018/19, the quantity of paddy rice exported to neighboring countries has considerably decreased, down a spectacular 97 percent over the last three marketing years. This is due to the political crisis occurring in some of the neighboring countries, followed by COVID-related disruptions leading to border closures.

Domestic exports over the past three years included small quantities of paddy rice that were transported informally to neighboring countries. However, Post does not anticipate any sizeable exports soon. The Port of Abidjan remains a significant transshipment point of Asian origin milled rice to other markets in the region. An increased quantity of imported milled rice, exported mostly to the Sahel but also to coastal countries such as Ghana, is currently projected at 150,000 MT for MY 2021/22. Agricultural commodities have traditionally been imported into the Sahel region through Abidjan and other coastal ports. Other coastal countries such as Ghana may benefit from a lack of limitations and slightly lower

applicable tariffs on milled rice from Côte d'Ivoire. Based on currently available data and diminished domestic production, Post estimates 2021/22 paddy exports at no more than 3,500 MT.

Trade Focus: Emerging Opportunity for U.S. Rice Exports

Côte d'Ivoire's rice milling facilities are extremely willing to purchase U.S. rough rice to supplement their supply in order to operate more regularly throughout the year. With the number of new mills projected to be fully operational in MY 2022/23, this represents an excellent opportunity for U.S. rice exporters. Rough rice exports would allow U.S. producers to break into a market that has been unprofitable for more than two decades. The benefits to the country's milling sector would also generate a partnership benefiting both the United States and Côte d'Ivoire. While this remains possible, Côte d'Ivoire's goal to not only increase local productivity but also become a regional supplier could result in new market connections to other West African countries as a result.

Stocks:

Post projects MY 2022/23 ending stocks at 183,000 MT. MY 2021/22 ending stocks are estimated at 393,000 MT, down from 463,000 MT in MY 2020/21. Current stocks are at a 67 percent increase from MY 2019/20. This can be explained by the fact that 60 percent of the stocks are still held by producers and farming organizations after the end of the season. A small share of these stocks will be kept for internal consumption by the nearby communities. However, due to reduced rice imports due to COVID-related lockdowns and supply chain disruptions, Post expects stocks to stabilize around 393,000 MT at the end of MY 2021/22.

Policy:

The GOCI recognizes that domestic production has stagnated in recent years, despite intentions to achieve at least 2 MMT of domestic production. Over recent growing seasons, several changes took place within government organizations that oversee the rice sector. The *Office National de Développement de la Riziculture* (ONDR) was replaced by the *Agence pour le Développement de la Filière du Riz* (ADERIZ). ADERIZ is essentially the same organization as the previous iteration but reportedly has increased flexibility for funding activities that meet the 2020-2030 SNDR strategy goals. In September 2019, the GOCI created the Ministry of Rice Promotion (MPR) to address the many challenges in the sector. However, in early April 2021, as President Alassane Ouattara announced his new cabinet, the MPR was rolled into the Ministry of Agriculture and Rural Development (MINADER) and no longer functioned as an independent Ministry.

During its brief existence, MPR initiated a policy to reduce the number of rice varieties in circulation from a hundred cultivated varieties to 5-7 varieties. This new approach was decided on to harmonize the quality of rice reaching factories and different points of sale. The National Agricultural Research Center (CNRA) and the African Rice Center (AfricaRice) signed this into law with the goal to produce and distribute high-yielding certified seeds to farmers.

Recently, the GOCI has launched a new policy focused on improving seed supply at the national level and building capacity for its staff to improve the distribution of seeds to producers. This new policy will also establish seven new seed containment centers around the country. When fully operational, these centers will supply up to 26,000 MT of certified seeds annually, a significant increase from the 3,500 MT of seeds currently available.

Côte d'Ivoire, in striving to boost domestic production and has so far refrained from implementing trade restrictive measures to do so. The GOCI has indicated that it wishes to compete with imported Asian rice by investing in its own sector and promoting innovation rather than constructing barriers. The SNDR, originally developed in 2012, called for a sizeable increase in domestic production and milling capacity to achieve self-sufficiency in rice production by 2016. The new 2020-2030 SNDR, approved by the Council of Ministers on March 11, 2020, seeks to build upon progress of previous SNDRs while correcting mistakes that were made in the past. The overarching objectives of the SNDR are to A) ensure self-sufficiency in good quality rice for Côte d'Ivoire by 2025; and B) make Côte d'Ivoire one of the largest African rice exporters by 2030.

Marketing:

Even though modern milling facilities continue to come online, most milled rice continues to be processed in small and informal milling operations. The milled product is of low quality and rarely packaged or branded in a formal way. The supply chain for imported rice is operated actors that possess extensive warehousing, purchasing centers, and means of transport that are extremely efficient. Local rice moves through 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 are also not widely available.

Domestically produced rice that does leave the producer's household/community can potentially be branded and sold under local companies such as Nora and Bandama. Official statistics for the current season report an average price of 408 XOF (\$0.68) per kilo for domestically milled rice, a 30 percent increase over last season.

Production, Supply and Distribution Table:

Rice, Milled	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
Cote d'Ivoire	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	635	670	750	710	0	720
Beginning Stocks (1000 MT)	283	283	120	463	0	393
Milled Production (1000 MT)	962	1050	1200	1000	0	1000
Rough Production (1000 MT)	1480	1615	1846	1538	0	1538
Milling Rate (.9999) (1000 MT)	6500	6500	6500	6500	0	6500
MY Imports (1000 MT)	1350	1350	1500	1300	0	1250
TY Imports (1000 MT)	1450	1450	1450	1400	0	1450
TY Imp. from U.S. (1000 MT)	52	52	0	30	0	20
Total Supply (1000 MT)	2595	2683	2820	2763	0	2643
MY Exports (1000 MT)	25	20	20	20	0	10
TY Exports (1000 MT)	25	20	20	20	0	10
Consumption and Residual (1000 MT)	2450	2200	2550	2350	0	2450
Ending Stocks (1000 MT)	120	463	250	393	0	183
Total Distribution (1000 MT)	2595	2683	2820	2763	0	2643
Yield (Rough) (MT/HA)	2.3307	2.4104	2.4613	2.1662	0	2.1361
(1000 HA), (1000 MT), (MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Rice, milled begins in January for all countries. TY 2022/2023 = January 2023 - December 2023						

Attachments:

No Attachments

End of Report