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Report Name: Senegal Food Processing Ingredients 2020

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Report Highlights:

Although there are only a few large-scale food manufacturers in Senegal, some of these businesses export locally processed foods within the Economic Community of West African States region and internationally, which may present opportunity for export sales of U.S. food ingredients as those markets expand. Large food manufacturers produce these foods for the local and regional market: tomato sauce and paste, bouillon, refined sugar, flour, fruit jams, biscuits, juice, soda, beer, yoghurt, dairy beverages, confectionery products, and processed meat. Peanut oil, juice, and canned fish are exported to the international market.

Market Fact Sheet: Senegal

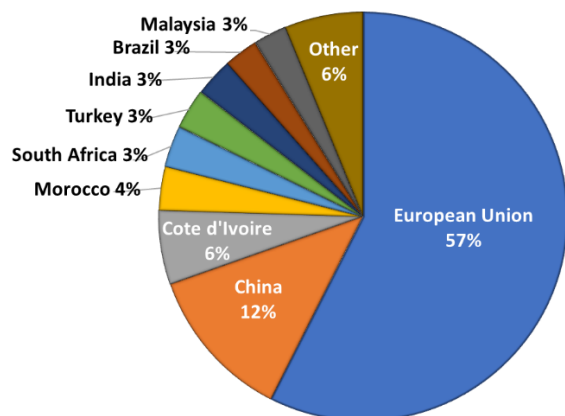
Executive Summary

Senegal is one of West Africa's key economic and trade hubs with an annual gross domestic product growth rate (constant 2010 USD) of over six percent over the last five years. In 2018, its GDP (constant 2010 USD) reached \$24.5 billion. That same year, GDP per capita (constant 2010 USD) was estimated at \$1,547, a four percent increase from 2017. In 2015, Senegalese households spent on average 58 percent of their income on food and beverages, amounting to about \$208 per month. Imports constitute approximately 70 percent of Senegal's food needs.

Imports of Consumer-Oriented Foods

Senegal's modern retail and Hotel, Restaurant, and Institution sectors import consumers-oriented products to meet growing consumer demand. In 2019, Senegal imported \$769.45 million of consumer-oriented foods mainly from the EU-28 and China. In 2019, the United States was Senegal's 15th largest supplier of consumer-oriented foods with less than one percent of market share.

Top Suppliers of Consumer-Oriented Foods (CY 2019)



Source: Trade Data Monitor

Food Manufacturing Industry

Senegal's food processing industry consists of about 15,000 businesses that manufacture food products, of which almost 97 percent constitute mainly small-scale, informal operations. Only approximately 20 companies would be considered large-scale operations using modern food manufacturing technologies. These companies mainly use local foods and ingredients such as sugar cane, peanuts, fish, fruits, cereals, and vegetables to manufacture food products, but they also use imported ingredients as well.

Modern Retail Sector

Modern retail stores are expanding in Senegal. These outlets sell locally produced food, as well as imported food from Europe, Asia, South Africa, Morocco, and neighboring ECOWAS countries. Most of these stores are located in Dakar, and their main customers are middle- and upper-class Senegalese consumers and expatriates.

Senegal: Quick Facts

Consumer-Oriented Exports to Senegal from the World (USD):
\$769.45 million (2019)

Agricultural Trade Flows in 2019 (USD billion)*:
Food & Agricultural Product Exports to World \$0.45
Food & Agricultural Product Imports from World \$1.60

Food Industry Gross Sales (U.S. \$ billion) 2015:
Food Industry Revenues: estimated at 9.9 percent of the domestic market sale

five Senegalese Food Manufacturers
sen, Kirène, CDA, Nestle, Grands Moulin de Dakar

Population:
Population: 15.9 million (2018 est.)
GDP (constant 2010 USD): \$24.5 billion (2018 est.)
GDP per capita (constant 2010 USD): \$1,547 (2018 est.)

Source: Trade Data Monitor, World Bank, FAS research
*References export data only

Advantages and Challenges

Advantages	Challenges
Senegalese food manufacturing companies' perception of U.S. food ingredients is very positive.	Limited development of the food processing sector with only a handful of processors demanding imported ingredients.
Due to a lack of local supplies, imported ingredients and intermediate food products are needed for food processing.	Although the regional market is growing, it is a price sensitive market. Less expensive ingredients from other origins may be more competitive.

Data and Information Sources: World Bank, Trade Data Monitor, Ministry of Economy & Finance, FAS Dakar research

SECTION I. MARKET SUMMARY

Imports constitute approximately 70 percent of Senegal's food needs. According to the World Bank, Senegal is one of the strongest economies in West Africa, with an annual gross domestic product (GDP) growth rate of over six percent over the last three years. Although representing a small segment of the total population, a growing middle- to upper-class consumer base is gradually changing its buying habits and food preferences, which is leading to increased demand for high-value foods. Most of Senegal's imported food and agricultural products originate from Europe and Asia. For calendar year (CY) 2019, the U.S. exported \$6 million of food and agricultural products to Senegal, representing less than one percent of total global food and agricultural product exports to the Senegalese market. Consumer oriented products currently represent the largest share of U.S. agricultural exports to Senegal, accounting for 49 percent in CY 2019.

Senegal's Food Manufacturing Industry

In 2015, Senegal's National Statistic and Demographic Agency estimated there are approximately 15,000 business that manufacture food products, of which almost 97 percent constitute mainly small-scale, informal operations. Only approximately 20 companies would be considered large-scale operations using modern food manufacturing technologies. The entire food manufacturing sector (formal and informal) employs 6.4 percent of Senegal's labor force, 58.6 percent of which have formal employment. The revenue generated by this sector represented 9.9 percent of Senegal's total GDP in 2016.

Although there are only a few large-scale food manufacturers in Senegal, some of these businesses export locally processed foods within the Economic Community of West African States (ECOWAS) region and internationally. As these regional businesses grow, this may present opportunity for export sales of U.S. food ingredients. Large food manufacturers produce these foods for the local and regional market: tomato sauce and paste, fruit jams, bouillon, refined sugar, flour, biscuits, juice, soda, water, beer, yoghurt, dairy beverages, confectionery products, and processed meat. Peanut oil, juice, and canned fish are exported to the international market. Manufactured foods that contain a certain percentage of local ingredients usually can be exported duty-free within the ECOWAS region.

Senegalese companies earning at least 80 percent of their turnover from exports can become [Free Trade Export Companies](#) and benefit from: a) a 15% reduction in corporate taxes; and b) an exemption from wage taxes, registration fees, stamp duties, subscription to business licenses, and duties and taxes levied on production equipment and raw materials.

According to ECOWAS protocols, if 60 percent of a manufactured food's ingredients originated from an ECOWAS member country, this processed food can be exported within the ECOWAS region without any extra import taxes or duties (except for value added taxes and excise duties). Likewise, agricultural commodities grown in ECOWAS member states also can be exported within the region duty free. However, in practice, reportedly some ECOWAS member states have chosen to diverge from ECOWAS protocols for some manufactured food products or raw commodities and charge import taxes on shipments traded intra-regionally.

Challenges for Senegal’s Food Manufacturing Industry

Several of Senegal’s food manufacturing companies noted challenges in a variety of areas. For example, sources noted that port delays for imported ingredients are common and can negatively affect food manufacturing schedules. Taxes and fees for imported ingredients are high. Transportation can be a challenge due to poor roads, and the cold chain is generally undeveloped; only a few manufacturing food companies may have refrigerated trucks. Regarding other issues, contacts stated that electricity is expensive and unreliable and skilled labor is hard to find and retain. Moreover, in general local food wholesalers and distributors do not use a written contract; therefore, deliveries of local food ingredients must be inspected to ensure quality control.

Table 1. Senegal: Advantages and Challenges for U.S. Exporters of Food Ingredients

Advantages	Challenges
Senegalese food manufacturing companies’ perception of U.S. food ingredients is very positive	In general, freight rates and transit times can be higher or longer for shipments originating from the United States in comparison to shipments from Europe or South Africa.
Many of Senegal’s large-scale food manufacturing companies export to other ECOWAS member countries. As regional demand grows, demand for imported food ingredients by food manufacturers may also expand as well.	The possible application of import duties by ECOWAS member countries on locally manufactured foods could stifle regional demand for these products. This also could slow demand for imported food ingredients used to produce these manufactured foods.
Middle- to upper-class Senegalese consumers are developing sophisticated buying habits and exploring new foods.	To date, no genetically engineered products or derived products are approved in Senegal.
	Lack of transparency in rules and regulations.
	Senegal port fees are higher than neighboring African countries. Senegal also may impose additional taxes for certain food products.
	Importing can be complex and time consuming.

Source: Global Insight and FAS research

SECTION II. ROAD MAP FOR MARKET ENTRY

A. Entry Strategy

“Does my product have market access?” is the most important question exporters can ask as they research the Senegalese market (Please see the latest [Food and Agricultural Import Regulations and Standards](#) report, Section III: Import Food Standards & Regulations/Import Procedures of this report for more details). A visit to Senegal to gain a first-hand feel of the market will be important to determine if your product has market potential. Keep in mind that the supply of imported goods in Senegal is erratic,

which may make it difficult to understand market trends. Be cognizant that good market data may not exist.

If an exporter is still interested in the Senegalese market, the next step is to locate a reliable importer/distributor. Agents should have extensive knowledge of government regulations and institutions involved in trade, as several government bodies may have a role in regulating certain foods or agricultural products.

For more information on what to consider when selecting an importer, see the latest [Exporter Guide](#).

B. Import Requirements

In general, documents required for the import clearance process include: a) two copies of the commercial invoices and /or a Pro Forma Invoice; b) a certificate of origin; c) a certificate of verification issued by Cotecna (if applicable); d) a bill of lading; e) if applicable, an export certificate (e.g., health, phytosanitary etc.); and f) an Import Declaration for Food Products. For details on import procedures and requirements specific to your products, please refer to the latest [Food and Agricultural Import Regulations and Standards](#) report. For a listing of necessary export certificates, please refer to the latest [FAIRS Export Certificate](#) report.

C. Distribution Channels

Food products manufactured in Senegal are sold through a network of first and second tier wholesalers, informal retailers, and modern supermarkets. The smallest retailers are informal shops called “boutiques” which sell food products in residential neighborhoods as well as in traditional, open-air markets. These “boutiques” are the most common retailers in Senegal. However, Senegal also has modern supermarket chains (most of which are located in Dakar) such as Auchan, Supermarket U, Casino, and Carrefour.

D. Market Structure

Many large-scale food manufacturers directly purchase imported foods and ingredients from foreign suppliers in order to ensure more consistent quality and supply as well as more competitive pricing. Otherwise, smaller food processors might buy from a local wholesaler.

E. Company Profiles & Company Products

Table 2. Senegal: Major Food Manufacturing Companies

Company	Locally Manufactured Food Products	Imported Foods and Ingredients	Website
Patisen	Seasonings, chocolate spread, chocolate powder, margarine, powdered juice drink mix, peanut butter, iodized salt, chocolate spread, vegetable oil, tomato paste, mayonnaise	Monosodium glutamate, salt, sugar, maltodextrin, corn starch, corn flour, vegetable oil, liquid caramel, peanut paste, tomato paste, cocoa powder	https://www.facebook.com/groupepatisen/
Sedima	Wheat flour	Wheat	https://www.facebook.com/sedimagroup/
NMA Sanders	Wheat flour, pasta	Wheat	http://www.nmasanders.com
Grands Moulins de Dakar (GMD)	Wheat flour	Wheat	https://www.seabardoverseas.com/location/grands-moulins-de-dakar-gmd/
Dolima	Dairy products: yoghurt, fresh milk, milk powder	Milk powder, natural flavors	https://lalaiterieduberger.wordpress.com/nos-produits/
Kirene	Water, juice, milk	Sugar, fresh fruits, and concentrated juice	http://kirene-groupe.com/
Zena Exotic Fruits	Local fruits and vegetables processed into juices, syrups, and jams	Sugar, flavorings, and fresh fruits	https://www.facebook.com/zenaallnatural/
Poultrade	Hot dogs, ham, sausage, ice cream, chicken	Milk powder, carabeef, and cocoa powder	https://www.facebook.com/poultrade-senegal/
Chaine de Distribution Alimentaire (CDA)	Halal processed beef products, processed pork products, processed fish, chocolate peanut butter spread, candy	Cocoa powder, meat, milk powder, smoked salmon, and cocoa	https://cdasenegal.com/
Nestle Senegal	Seasonings, broth mix	Monosodium glutamate and yam powder	https://www.nestle.com/aboutus/globalpresence

Source: FAS Dakar research

SECTION III. COMPETITION

Senegal currently imports most of its food and ingredients from Europe and Asia. According to contacts, European exporters use a French company called the Compagnie Française d'Assurance pour le Commerce Exterior that provides export credit guarantees, which protects the exporter in case of default. Contacts also noted that COFACE offers credit and 90-day payment options to importers.

SECTION IV. OTHER REQUIREMENTS

According to Senegal's current biosafety law, biosafety approval is required to import genetically engineered commodities or derived products for food, feed, or processing. To date Senegal has not issued biosafety approvals for importation. In order to initiate the process, the law notes that an import request must be submitted in writing to the National Biosafety Authority. For more information, please see the latest [Agricultural Biotechnology Annual](#).

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

A. Post

Office of Agricultural Affairs
United States Department of Agriculture
U.S. Embassy Dakar
Route des Almadies. B.P. 49 Dakar, Senegal
Email: agdakar@fas.usda.gov
Website: www.fas.usda.gov

For contact information of Government of Senegal regulatory agencies, please refer to the latest [Food and Agricultural Import Regulations and Standards](#) report.

Other FAS reports are available through the FAS website <http://www.fas.usda.gov>.

B. Other Additional Contacts

American Chamber of Commerce in Dakar: <https://www.facebook.com/amchamsenegal/>
Chamber of Commerce in Dakar: <https://www.chamber-commerce.net/dir/3733/Chambre-de-Commerce-dIndustrie-et-dAgriculture-de-Dakar-in-Dakar>
Senegalese Industrial Upgrading and Modernization Office: www.bmn.sn
Senegal's Investment Promotion Agency (APIX): <http://investinsenegal.com/>

Attachments:

No Attachments.