

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary Public

Date: 7/19/2016

GAIN Report Number:

Senegal

Post: Dakar

Oilseeds and Products Annual 2016

Report Categories:

Agricultural Situation

Oilseeds and Products

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Report Highlights:

Senegal has announced a record production of 1.067 million tons of peanut for MY 2015/16, a 59 percent increase from the previous year output, and a 40 percent increase above the average of the past five years production. In November 2015, The *National Inter-Professional Peanut Committee of Senegal* (CNIA) announced the MY 2015/16 minimum in-shell peanut price at 200 F CFA (\$0.33 per kg). Only 40,000 tons of peanuts were collected by the four peanut processing companies, while 340,000 tons were exported to China (65 percent) and 33 percent to Vietnam. However, peanut actors estimate the 2015/06 production between 500,000 tons and 600,000 tons. The shortfall of raw peanut for processing could reduce the amount of animal feed needed in the country as 25 percent of the in-shell peanut waste is used for feed.

General Information:

The Government of Senegal (GOS) estimates MY2015/16 peanut production at 1.067 million tons, a 58 percent increase compared to the previous year's output. Peanut oil processing companies were only able to collect 40,000 tons, while 340,000 tons were collected to be exported mainly to China (65 percent) and Vietnam (33 percent) markets. The competition among buyers was quite stiff. Foreigners were able to offer better prices to farmers than domestic processing companies despite a minimum farm gate price fixed in November by the *National Inter-Professional Peanut Committee of Senegal* (CNIA) at 200 F CFA (\$0.33). In June 2016, post visited the region of Kaolack to meet with peanut actors and peanut processing companies, who estimated the MY 2015/16 peanut production between 500,000 tons and 600,000 tons.

Production

For the MY 2015/16 peanut season, subsidized peanut seeds were distributed on time but fertilizers were delayed. The rainy season was favorable. Rains arrived on time and lasted until November. However, farmers noted a decrease in production due to unexpected heavy rains, late delivery of fertilizers, and low seeds quality. Nevertheless, the Government of Senegal (GOS) estimated a 21 percent yield increase (0.9 tons per hectare) and 29 percent increase in area planted (1.135 million hectares) compared to the previous year.

GOS estimates peanut production for MY2015/16 at 1.067 million tons, a 58 percent increase compared to the previous year's output, and announced the distribution as follow:

- 350,000 tons for local consumption
- 50,000 tons for farmers' stock
- 150,000 tons in post-harvest loss
- 40,000 tons collected by the four peanut oil processing companies (COPEOL, SUNEOR, WAO, and CAIT)
- 340,000 tons for exports
- 125,000 tons for subsidized seeds

For MY 2016/17, the Senegalese government forecasts peanut production at 1.140 million tons, and allocated over 100 billion CFA (\$53 million) to support the forthcoming campaign. Projects to be funded include:

- 75,000 tons of certified and improved planting seeds (14 billion CFA)
- 94, 000 tons of fertilizer (14 billion CFA)
- 20,000 small equipment units (80 billion CFA)

In May 2016, the magazine *Jeune Afrique* announced that Senegal received \$20 million from the *International Development Association* (IDA) from the World Bank that aims to help the poorest countries produce certified seeds production and sell peanut. More than 850,000 peanut producers, including 40 percent of women, will benefit from the program. In Senegal, the program will be implemented by the West Africa Agricultural Productivity Program (PPAAO).

Marketing

In November 2015, the *National Inter-Professional Peanut Committee of Senegal* (CNIA) announced the in-shell farmer's minimum peanut price at \$0.33 per kg, the same price the previous year. The marketing campaign started in November 16, 2015. More than 2,000 collection points were established for all peanut produced in three regions (Diourbel, Kaolack, and Ziguinchor). The Government and the CNIA approved 600 operators to buy peanut from the collecting points and sell them to oil processing companies (SUNEOR, COPEOL, CAIT, and WAO).

The campaign ended in May and operators were only able to collect 40,000 tons of peanuts for the oil processing companies. Most of the peanut were sold in the export market which offered better prices (315 F CFA (\$0.53) per Kg).

In 2009, the GOS opened the peanut export market due to surplus production of one million tons. The Chinese government expressed its willingness to buy Senegalese peanut on the condition they meet all its sanitary and phytosanitary requirements. It took three years (2011-2014) for both governments to develop and sign an agreement.

For more details, visit <https://www.google.com/#q=G%2FSPPS%2FGEN%2F1461>

At the beginning of the MY2015/16 campaign, the Government of Senegal (GOS) announced it will ensure domestic peanut oil processing companies have enough supply before satisfying the export market. However, processors had difficulty buying peanuts due to the higher demand than expected. Prices increased quickly and processors could not meet the market price.

The Government of Senegal (GOS) estimates MY 2015/16 peanut export at 340,000 tons, with China, the major buyer having 65 percent of the market share, followed by Vietnam (33 percent).

The peanut collected by the four peanut oil processing companies are as follow:

- COPEOL collected 19,100 tons before prices increased considerably
- West African oil (WAO); 13,000 tons
- SUNEOR, which used to be the major oil processing company; 7,100 tons
- Complexe agroindustriel de Touba (CAIT) ; 262 tons

SUNEOR used to be the largest peanut oil company in Senegal. It has been involved in the peanut sector for over 30 years with 200,000 tons of peanut processed in 2007. The company produces and sells peanut oil under the "Niani" label. It was part of the Advens holding until November 2015, when the GOS took it back until it finds a new owner.

COPEOL, the second peanut processing company merged with NOVASEN in 2013. It is a joint venture between the two groups Castel and Sophiproteol. COPEOL produces crude oil for the international market and export in-shell peanut as well.

Complexe Agro-Industriel de Touba CAIT is the third largest peanut processing company that was created in 2004 but started oil production activity in 2009. Its production capacity is 35,000 tons, but it operates below that level. CAIT sells its refined peanut oil production in Senegal, under the Diwline label. It also supplies private distributors under the “Tin’or” or “Pod’or” labels. Part of its refined peanut oil production is also exported.

The West African Oil LLC (WAO) company is a U.S. company. It began its first peanut processing activity in MY 2015/16, processing 13,000 tons due to lack of raw material.

Similarly, other processing plants in the region are operating at a minimum level due to insufficient peanut stock. Peanut processors estimate the MY2015/16 peanut production between 500,000 to 600,000 tons. The competition between the processors and the exporters has been difficult as the importers offer better prices than the processors could afford. Therefore, farmers prefer to sell to exporters and have a better margin.

Peanut oil processing companies are exploring possible solutions to the price problem. Some ideas being considered include:

- working closely with the farmers at the beginning of the season by supplying them with inputs (seeds, fertilizers) as loan and have them pay back by selling them their production equivalent to the amount borrowed
- Producing peanut. One of the peanut oil processing company has already requested land in order to produce its peanut
- Negotiating with the GOS to ensure they get enough supply before opening the export market

Post has been told that exporting a large stock of peanut would prevent the country from producing enough animal feed since 25 percent of in shell peanut is processed into feed.

Trade

In MY 2015/16, 83 exporters have been registered but only 46 exporters were active. The Ministry of Agriculture (MoA) developed some requirements for peanut exporters in MY 2015/16. Exporters should have:

- an agreement delivered by the Ministry of Agriculture via the National Plant Protection Office (NPPO)
- a phytosanitary certificate delivered by the NPPO after the peanut being controlled by one of the 50 packaging centers for SPS issues
- a verification letter to certify the conformity of the packaging issued by the Director of Internal Trade issues
- an attestation of fumigation
- a certificate of origin delivered by the *Senegalese Agency for Export Promotion* (ASEPEX)

Government of Senegal (GOS) estimates MY 2015/16 peanut exports at 340,000 tons and reported China as the major buyer with 65 percent of the market share, followed by Vietnam (33 percent). Indonesia, Morocco, Congo, Egypt, Malaysia, Mali, and Cote d'Ivoire shared the remaining (2 percent).

The Global Trade Atlas reports 100,000 tons of peanut exported during CY2015 and 119,000 tons exported between January and April 2016. (See table 1)

Partner Country	Unit (Tons)	Calendar Year					Year To Date
		2011	2012	2013	2014	2015	Jan-Apr. 2016
World	T	15,995	22,220	28,423	12,567	99,774	119,642
China	T	6,390	7,711	7,323	2,626	65,278	76,561
Vietnam	T	86	11,386	12,768	7,821	32,111	39,402
Switzerland	T	-	-	-	630	605	498
Netherlands	T	144	59	372	-	600	-
United Kingdom	T	4,320	702	498	576	378	-
Indonesia	T	36	-	-	-	320	160
Morocco	T	165	18	74	-	279	260

Source of Data: National Agency of Statistics and Demography

CY2015 peanut oil exports increased 68 percent (52,195 tons) compared to the previous year. From January to April 2016, peanut oil exports reached 13,000 tons. Senegal does not expect to export huge quantity of peanut oil in MY 2015/16 since the quantity processed will be very limited (40,000 tons).

In CY 2015, peanut oil was exported mainly to China (39 percent), France (26 percent), Italy (25 percent) and Netherlands (9 percent) compared to 13,000 tons from January to April 2016. (See Table 2)

Partner Country	Unit (Tons)	Calendar Year					Year To Date
		2011	2012	2013	2014	2015	04/2016
World	T	57,613	13,538	16,417	31,100	52,195	13,008
China	T	-	-	-	12,243	20,319	9,148

France	T	7,293	8,701	7,810	8,166	13,424	1,531
Italy	T	1,171	1,666	-	5,157	13,289	215
Netherlands	T	2,296	500	7,658	3,045	4,760	1,612
Belgium	T	-	-	-	-	250	-
Switzerland	T	6,482	780	949	2,489	153	-

Source of Data: National Agency of Statistics and Demography

Government policy

The Government of Senegal continues to support the peanut sector. The 2013 Accelerated Program for Agriculture (PRACAS) aims to produce 1 million tons of peanut by 2017 and reconstitute the seed capital to produce.

For MY 2016/17, GOS forecasts peanut production at 1.1 million tons and plans to subsidize 75,000 tons of seed peanut (certified and improved) for \$2.5 billion.

Exchange rate: 1.00 US Dollar = 600 CFA Franc

For more information on the history and structure of the groundnut sector in Senegal, please see previous GAIN reports on Senegal Oilseeds and Products: Annual Update.

Acronyms

CAIT	Complexe Agro-Industriel de Touba
CNIA	National Committee of the Groundnut Industry Association
GOS	Government of Senegal
MOA	Ministry of Agriculture
COPEOL	(replaced Novasen) - Coopératives des Plantes Oléagineuses
NOVASEN	Nouvelle Valorisation d'Arachide du Senegal
PSD	Production, supply, and demand
PRACAS	Senegalese Accelerated Program for Agriculture

SUNEOR	Means our (sunu) gold (or) peanut in Wolof. The company was known as SONACOS prior to 2007
WAO	West African Oil LLC

Production, Supply and Demand Data Statistics

Oilseed, Peanut Market Begin Year	2014/2015		2015/2016		2016/2017	
	Nov 2014		Nov 2015		Nov 2016	
Senegal	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	880	880	770	1135	800	1100
Area Harvested	879	879	770	1135	800	1100
Beginning Stocks	67	67	13	10	23	22
Production	669	669	725	1067	735	1100
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	736	736	738	1077	758	1122
MY Exports	112	86	70	340	100	350
MY Exp. to EU	0	1	0	4	0	4
Crush	300	100	325	40	325	100
Food Use Dom. Cons.	255	390	255	400	260	500
Feed Waste Dom. Cons.	56	150	65	275	50	150
Total Dom. Cons.	611	640	645	715	635	750
Ending Stocks	13	10	23	22	23	22
Total Distribution	736	736	738	1077	758	1122

Meal, Peanut	2014/2015		2015/2016		2016/2017	
Market Begin Year	Nov 2014		Nov 2015		Nov 2016	
Senegal	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	300	170	325	90	325	120
Extr. Rate, 999.9999	0.4	0.4	0.4	0.4	0.4	0.4
Beginning Stocks	8	8	8	5	8	5
Production	120	68	130	36	130	48
MY Imports	2	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	130	76	138	41	138	53
MY Exports	7	0	10	0	10	0
MY Exp. to EU	10	0	10	0	10	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	115	71	120	36	120	48
Total Dom. Cons.	115	71	120	36	120	48
Ending Stocks	8	5	8	5	8	5
Total Distribution	130	76	138	41	138	53

Oil, Peanut	2014/2015		2015/2016		2016/2017	
Market Begin Year	Nov 2014		Nov 2015		Nov 2016	
Senegal	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	300	170	325	90	325	120
Extr. Rate, 999.9999	0.3	0.3	0.2985	0.3	0.2985	0.3
Beginning Stocks	7	7	4	4	5	1
Production	90	51	97	27	97	36
MY Imports	1	1	1	1	1	1
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	98	59	102	32	103	38
MY Exports	50	45	55	28	55	30
MY Exp. to EU	26	26	25	14	25	15
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	44	10	42	3	42	4
Feed Waste Dom. Cons.	0	0	0	0	0	0

Cons.						
Total Dom. Cons.	44	10	42	3	42	4
Ending Stocks	4	4	5	1	6	4
Total Distribution	98	59	102	32	103	38