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Cote d'Ivoire

Grain and Feed Annual

2019 Rice Annual

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Report Highlights:

Milled rice production for MY 2019/20 is projected at 1.4 million metric tons (MMT). Post projects MY 2019/20 imports at 1.5 MMT, a new record. Domestic consumption continues to rise due to population growth, urbanization, and shifting diets. As domestic production struggles to keep pace, much less reach the official targets of 2.0 MMT by 2020, imports will continue to play a key role. In MY 2018/19, Post estimates Côte d'Ivoire's total rice imports at 1.45 MMT. Notable developments this year include restructuring of the country's main rice authority, a measureable increase in modern processing capacity but continued production challenges, and China supplanting other exporters as the primary origin of imported rice.

Production:

In MY 2019/20, Post projects milled production at 1.4 MMT, a 7.6 percent year-to-year increase from Post's current MY 2018/19 estimate of 1.3 MMT. The provision of quality inputs to producers remains highly fragmented and insufficient to significantly raise national production in the short term. Assuming normal conditions, year-to-year production is expected to continue upward, albeit slowly. Post also anticipates small increases to area assuming policy initiatives have at least a minimal impact on encouraging increased rice cultivation, returning to 900,000 hectares (HA). Resulting yield is also expected slightly upward at 2.39 MT/HA, from Post's estimated 2.29 MT/HA in MY 2018/19.

Post's estimated MY 2018/19 milled rice production of 1.3 MMT is based on most recent official statistics. This represents a 5.3 percent decline in rice production from 2017/18. While all other cereals report year-to-year increases (see Table 1), as the most widely cultivated cereal, rice drives a 2.3 percent decline in overall cereal production. Officials attribute these fluctuations largely to yield. As of the time of this report, the state's rice authorities possessed only one active rice seed-conditioning center with neither the capacity nor the reach to serve the country's producers, although local sellers or companies operating throughout the country fill this gap. From a research perspective, there is ample development of locally suitable varieties by official institutions such as the National Center for Agronomic Research (CNRA), or donor-funded organizations such as AfricaRice. Indeed, rather than an issue of improved or certified seed availability, officials attribute this decline in rice to either the unwillingness or inability of rice producers to procure improved seeds due to lack of financing. As a result, most small producers resort to using some combination of old, low quality, or saved seed. This raises doubts as to whether producers, the majority of which are smallholder farmers with limited resources, will have consistent access to quality seed in the near future to meet ambitious Government of Côte d'Ivoire (GOCI) targets.

Table 1: Côte d'Ivoire Cereal Production

Cereal	5-yr Avg.	2017/18	2018/19	17/18 – 18/19 Change (%)	18/19 vs. 5-yr Avg. (%)
Rice, Paddy	2,062,751	2,118,610	2,006,874	-5.27%	-2.71%
Corn	965,519	1,025,228	1,054,960	+2.90%	+9.26%
Millet	55,424	61,573	63,847	+3.69%	+15.20%
Sorghum	55,863	63,357	65,661	+3.64%	+17.54%
Fonio	19,029	20,403	22,749	+11.50%	+19.55%
Total	3,158,585	3,289,171	3,214,091	-2.28%	+1.76%

Source: Ministry of Agriculture and Rural Development (MINADER)

Despite official targets of reaching 2.0 MMT of domestic milled production by 2020, realities on the ground suggest only marginal production increases in the short term. GOCI cites 2.0 MMT by 2020 as the quantity needed to become 'self-sufficient' in rice and thus cease importation. However, official statistics and available trade data suggests that the country's consumption far exceeds this figure (see Consumption section).

Despite the challenges for local producers and a sector that is underdeveloped in many respects, the harvest quality in 2018/19 appears to be adequate. Local rice remains 10 to 15 percent more expensive to produce than imported rice, and this is reflected at the consumer level (see Marketing section). Inefficiencies and obstacles are rife, with access to quality seeds, ineffectiveness/absence of market data

networks, inadequate storage facilities, and high cost of extension and technical assistance identified as the primary challenges for local rice producers.

As nearly 80 percent of the domestic crop is rain-fed, local research focuses largely on developing varieties suited to those conditions. There are multiple planned but as of yet incomplete initiatives to expand production in floodplains as well as to develop further irrigation. Considering that the national crop consists primarily of pluvial varieties, domestic production remains at risk to unpredictable weather patterns.

Consumption:

For MY 2019/20, Post projects domestic consumption at 2.7 MMT. This figure accounts for both the domestic crop, largely consumed locally, as well as imports that continue to show annual growth (see Trade section). GOCI estimates its annual per capita rice consumption at 46kg. However, trade statistics suggest the country's apparent consumption is considerably higher. With an estimated population of 25.9 million, Côte d'Ivoire's per capita consumption could be as high as 70kg, which would make it one of the largest per capita consumers in Sub-Saharan Africa.

The planned installation of 30 rice mills, each capable of processing 5 tons per hour or 25,000 metric tons (MT) per year, progressed in 2018/19. Currently, sixteen of these installations are functional, compared to just three at the end of 2017. GOCI allocated 10 of these 16 installations to private sector operators. The state maintains ownership of the units themselves, but allocates them to private enterprises based upon their location. GOCI established "Pôles" or zones throughout the country, currently 12, in which different companies hold primary control over the value chain. The companies are a mix of domestic and multinational organizations active in the country's rice sector. Multinationals include Louis Dreyfus (LDC), Gan Logis, RMG Concept, and Singapore Agritec, while local companies such as *Société Ivoirienne de Riz* (SIRIZ) and Agricultural Management Company – Food and Commerce (AMC-FC) are also designated as leaders of various zones. Three of the zones, in the center of the country around Bouaké and Séguéla, as well as Man in the west, remain unassigned. Other western and northern areas of greatest production concentration fall within LDC, Gan Logis, and RMG zones.

As the larger mills come online, most are running below full capacity. The total domestic paddy rice entering their channels remains insufficient, as the proliferation of informal, small rice mills continue to operate and use up stock that could otherwise enter pipelines of the larger-scale mills. Energy and fuel costs, as well as machinery repairs and availability of spare parts also represent a challenge for the viability of the new mills.

The overall consumption trend for rice is approximately 1.5 to 2 percent annual growth. Local dishes featuring traditional staples such as *alloco* (fried plantains) or *attieké* (fermented/grated cassava) remain central to Ivoirian cuisine. Yet rice is undoubtedly an increasingly popular food and ubiquitous in local cuisine across urban and rural areas.

Trade:

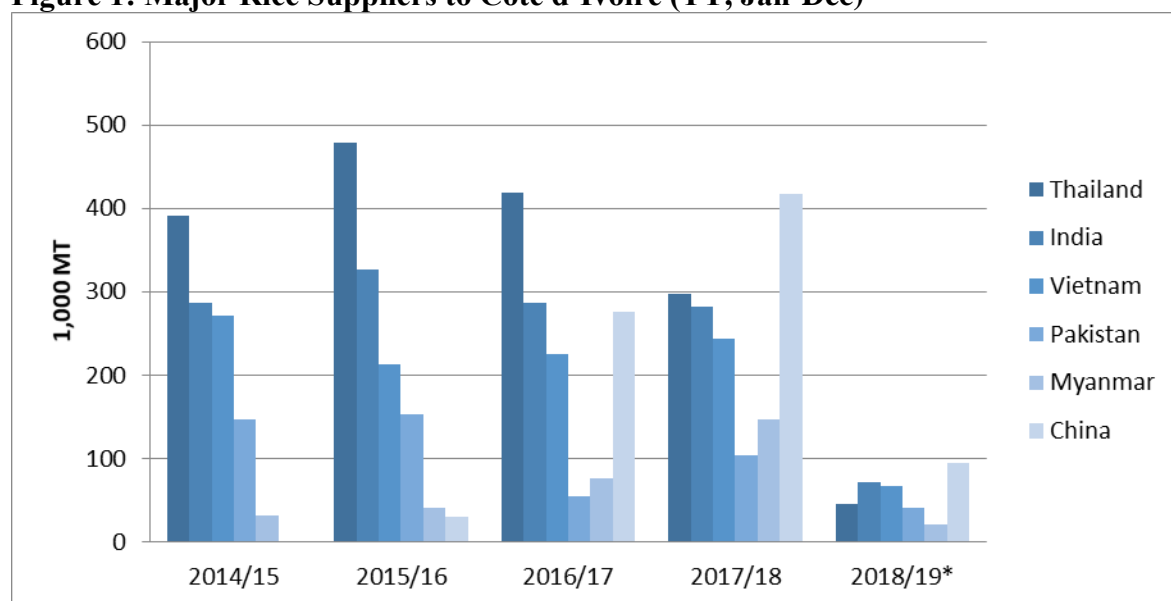
For MY 2019/20, Post projects milled rice imports at 1.5 MMT. This projection represents a slight year-to-year growth in demand but assumes a softening of the rapid import pace of late, as domestic production rebounds marginally in the out year. Based on these trends, Côte d'Ivoire will remain a net

importer for the second straight year, sourcing just over half of its total consumption requirement from overseas. Based on current USDA projections, Côte d'Ivoire will be the fifth-largest rice importer globally, and second only to Nigeria continent-wide.

Post estimates MY 2018/19 imports at 1.45 MMT. The pace of imports in late CY2018 was particularly strong, highlighted by a reported 267,000 MT in the month of December, the country's largest monthly import total since MY 2012/13. Monthly import volumes can fluctuate based on clustered arrival of large shipments, but Côte d'Ivoire rice imports are traditionally steady throughout the year, with some moderate spikes at the end of the trade year and early marketing year. The pace midway through the market year continues to exceed monthly averages, which portends a record-setting 2018/19.

Over the last five years (Jan-Dec), the most notable trade dynamic is the growth of imports from China, which became the country's largest supplier in TY 2018/19. Post expects this trend to continue through 2019. Economic growth and urbanization has been remarkable in recent years, but the average Ivoirian consumer remains price sensitive. Therefore, the country's imports will correspond to availability and pricing on the world market.

Figure 1: Major Rice Suppliers to Côte d'Ivoire (TY, Jan-Dec)



Source: Global Trade Atlas, Import Data

*YTD, January – March

MY 2019/20 exports are projected at 100,000 MT. Post also slightly decreases the MY 2018/19 export estimate to 100,000 MT due to tightening domestic supply. These exports consist mostly of informal trade in domestic paddy rice to neighboring countries. In addition to GOCI's 2020 target of producing 2.0 MMT annually, the same national policy calls for Côte d'Ivoire to become a regional rice exporter by 2025. Post does not anticipate any sizeable exports in the near future beyond the informal trade in paddy rice.

Beyond available data, there are indications that Côte d'Ivoire is a transshipment point for Asian rice to other countries in the region. Much of this is captured in official trade statistics, but there is potentially

sizeable quantities of rice logged as imports to Côte d'Ivoire which are then re-exported within the region, primarily to Ghana and possibly several other countries in the Sahel. Limited customs capacity at overland borders makes quantifying the informal trade very difficult, but transshipments could be in the hundreds of thousands metric tons. This trend is due in part to the Port of Abidjan's hub status in the region and its links to neighboring countries. However, informal transshipments into Ghana also reflect the difference in policy between the two countries, with Ghana applying a higher duty to milled rice imports, currently 20 percent. Côte d'Ivoire applies a 10 percent customs duty to milled rice, and 5 percent for paddy rice. Data does not suggest major imports of paddy rice for seed or other purposes. GOCI operates a [Single Window for Trade](#), which contains the country's current customs tariffs.

Stocks:

MY 2019/20 ending stocks are projected at 638,000 MT. GOCI estimates for end-of-year on-farm storage fluctuate between 150,000 to 250,000 MT. Post's ending stock number for 2019/20 assumes levels of on-farm storage in the middle to lower end of this range as production rebounds only slightly from lower domestic supply in MY 2018/19. The remainder of the total ending stock number consists of assumptions on imported rice stocks, and reflects about two months of national consumption. While storage for domestic rice remains fragmented and largely inadequate, storage capacity for imported rice is also reportedly limited for the country's requirements. The majority of warehousing in and around the Port of Abidjan is largely oriented towards export crops. National authorities do not publish any figures for total rice stocks held in the country. While the new national rice authority is charged with putting in place and managing a 'national security stock' (see Policy section), Post is not aware of any current strategic mandate or policy in maintaining certain stock levels for food security purposes.

Policy:

The first *Stratégie Nationale de Développement de la Riziculture* (SNDR) of 2008 sought to achieve self-sufficiency in rice production by 2016, but this target was revised in the current 2012-2020 SNDR. Under this strategy, the official target is to achieve self-sufficiency by 2020. GOCI identifies "self-sufficiency" as 2.0 MMT of annual milled rice production. However, production and trade data indicate the country's consumption currently exceeds that figure, and trends suggest consumption will continue to rise.

A structural change occurred in early 2019, as the government replaced its *Office National de Développement de la Riziculture* (ONDR) with the *L'Agence pour le Développement de la Filière Riz* (ADERIZ). Presidential Decree No. 2018-10, signed January 10, 2019, established ADERIZ as the new governmental rice body. While the agency is still under development, it appears to have wide authority across the rice sector, as well as implications for public financing, water rights, and land tenure. First, GOCI set up ADERIZ to be capable of executing its own activities with financial autonomy. What financial resources GOCI will put towards ADERIZ is not clear, but there is an expectation that ADERIZ will be a catchment for foreign or donor investments in the country's rice sector. The January 2019 document also identifies areas in which ADERIZ will be the implementing authority. This includes coordinating investments in production and milling infrastructure (including irrigation), national provision of certified rice seed, facilitation of 'land tenure security,' support of mechanization and research, milling and marketing, labeling, monitoring of local and international markets, and implementation and management of a 'national security stock.' GOCI also charges ADERIZ with setting up a mechanism for the sustainable financing of the sector. ADERIZ will have the following resources at its disposal: all state financing intended for the rice sector, the agency's own borrowing authority,

national and international donations, and state equipment and operating grants. Following the agency's establishment, a subsequent decree named the current Director of ONDR as the new head of ADERIZ.

GOCI perceives the reliance on imported rice as a major food security issue for the country. In addition to pursuing significant increases in domestic rice production, MINADER also emphasizes the importance of promoting traditional staples such as yam, manioc, and plantain. Actual promotional initiatives in this area are not clear, but it is worth noting the country's year-to-year gains in tuber production, as they remain vital local staples even as rice grows in importance. From 2017/18 to 2018/19, tuber¹ production grew 3.9 percent, and was 15.8 percent above the five-year average.

Marketing:

There are a large number of competing rice brands on the local market, most of which are imported. Imported rice arrives break bulk with country of origin labels, at which point importers will repackage the rice into branded bagging developed for the local market.

The system by which domestic rice enters urban and peri-urban markets is quite disjointed. Typically, producers deliver paddy rice to cooperatives or an urban wholesale market in 50kg bags, where it can then be milled for a fee by mills ranging in capacity from 500-900 kg/hour. The wholesale markets are extremely fluid operations, where merchants are dealing not just in rice, but will often shift between commodities depending on seasonality and prices. These operations will sell both milled rice in 25kg bags that was milled onsite and the existing 50kg bags of paddy rice. The wholesale market in Bouaké, for example, is the largest of its kind in the country due to its strategic central location. In terms of rice, this market will handle deliveries from throughout the surrounding districts of the country, as well as rice from the northern and western districts, which are the primary growing areas. The retail/semi-wholesale markets will either sell small quantities of milled rice directly out of 25kg bags, send paddy rice to small neighborhood mills for processing, or package and brand milled rice in their own branded 1 to 5 kg bags. There are in excess of 2,500 small milling operations in the country, but their informal nature makes it incredibly difficult to quantify with precision. Conditions in these smaller mills are poor, as is the quality of the finished product particularly with regards to debris and foreign matter.

With the increasing capacity of modern mills in the country, the locally branded varieties such as *Princesse Maro* and *Super Taha* can be found with increasing regularity. Despite the costs and inefficiencies of domestic rice production and milling, at retail level the local varieties are solidly in the middle of the price scale against imported varieties. However, consumer perceptions of imported rice's superiority are a continued impediment to widespread adoption of local rice.

Production, Supply and Demand Table:

Rice, Milled Market Begin Year Cote d'Ivoire	2017/2018		2018/2019		2019/2020	
	Oct 2017		Oct 2018		Oct 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	862	862	875	875	0	900
Beginning Stocks	507	507	474	534	0	538
Milled Production	1377	1377	1450	1304	0	1400

¹ GOCI includes yam, cassava, plantain, and taro in its tuber statistics.

