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Report Highlights:

Despite ambitious national targets towards self-sufficiency in rice by 2025, and becoming a regional exporter by 2030, the current campaign in Côte d'Ivoire is one characterized by a production drop and trade slowdown, which has tightened overall supply in the country. Milled rice production for upcoming market year (MY) 2021/22 is projected at 1.2 million metric tons (MMT). Post projects MY 2021/22 imports at 1.1 MMT, which indicates a continued stabilization of import pace for a country that has consistently been a global top-five importer in recent years. The Port of Abidjan remains a significant transshipment point for milled rice to other markets in the region. Domestic production struggles and softening milled rice imports open up opportunities for U.S. rough rice exports to supplement an expanding domestic milling sector.

Commodities:

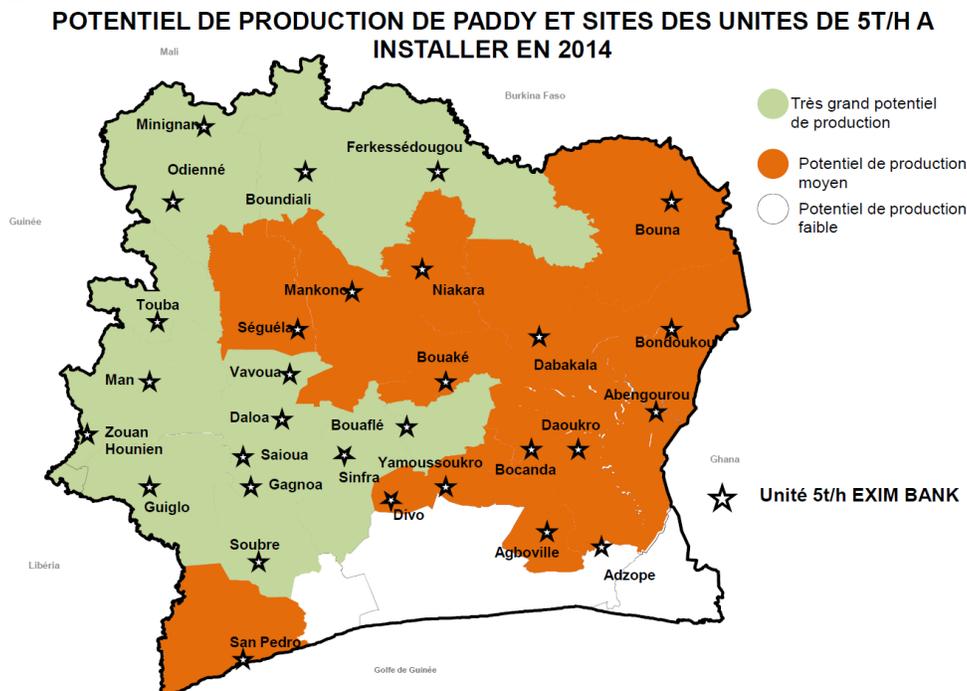
Rice, milled

Production:

In MY 2021/22, Post projects milled rice production at 1.2 MMT, down 17 percent in comparison to the record of 1.4 MMT set in MY 2015/16. This projection assumes a return to more average meteorological conditions, as well as improved public and private investment towards productivity. Post estimates that production in the current MY 2020/21 dipped to 962,000 metric tons (MT). The current market year could be an outlier due to poor/erratic growing conditions along with COVID-related disruptions to supply chains and movements around the country. However, emerging threats such as weather variability and climate change are becoming more commonplace and manifesting themselves in Côte d'Ivoire and West Africa in the form of shortened and less predictable rainy seasons, as well as increased incidences of both drought and flooding, for which a large portion of Côte d'Ivoire's crop (upland savanna and lowland floodplains) is vulnerable.¹

Post's estimated MY 2020/21 milled production of 962,000 MT is based on most recent available statistics of domestic paddy production, currently at 1.48 MMT. Post also revises its MY 2019/20 figure downward slightly to 1.225 MMT compared to the USDA official estimate of 1.25 MMT, based on most recent statistics. While district level production data is currently unavailable, Figure 1 below from the country's 2012-2020 National Rice Development Strategy (SNDR) provides an overview of where future production expansion is being prioritized. The country's north and west are where current production is also concentrated.

Figure 1: Production Zones and Planned Milling Facilities, SNDR 2012-2020



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

¹ FAO/CGIAR. *Climate-Smart Agriculture in Côte d'Ivoire*. <https://cgspace.cgiar.org/handle/10568/97616>

For the current campaign, area harvested is down to its lowest level in nearly a decade. Irrigated rice accounts for 4 percent of area and is relatively stable from the year prior. Upland rain-fed rice, while down in terms of total hectares, accounts for 49 percent of area, up from 45 percent a year ago. Rice grown in lowland floodplains, previously the majority of the national area, fell to 47 percent in the current market year. Area expansion in lowland floodplains has been increasingly important as upland rice hectares have dropped by nearly a quarter over the last five years.

Nearly three quarters of upland rain-fed production occurs in the northernmost districts of Denguélé, Savanes, Vallée du Bandama, and Woroba. For upland rice growing areas in the more arid north, less predictable patterns of precipitation are a growing concern among producers as these areas most acutely experience more frequent and intense spells of drought. Overall, across all production zones, the largest concentration of national production is in the western districts of Sassandra-Marahoué and Montagnes, and northern district of Savanes.

Lowland and irrigated rice is dispersed throughout the country, though slightly concentrated in the central and southern districts; some of which were subject to intense periods of flooding throughout 2020 along with the economic capital, Abidjan.² COVID-19 restrictions on the movement of goods and people in the country did come at an inopportune time that could affect plantings and distributions of inputs, yet poor growing conditions appear to have had a stronger impact upon the season. Some unofficial estimates initially raised alarm that local production could drop as much as 20 to 30 percent as a result, and these concerns appear to be well-founded with the official estimate of 962,000 MT milled-basis (down approximately 22 percent from MY 2019/20).

Overall cereal production (rice, corn, millet, sorghum) declined by only 8 percent in the current year, indicating that other grains fared slightly better. This is not unique to Côte d'Ivoire, with most countries in coastal West Africa reporting overall declines in cereal production this year, save for Ghana (+5 percent) and Sierra Leone (+2.5 percent). Tuber production (cassava, manioc, yam), on the other hand, was up 3 percent on the year. Côte d'Ivoire is one of the larger producers of tubers in the region, behind only Ghana and Nigeria.

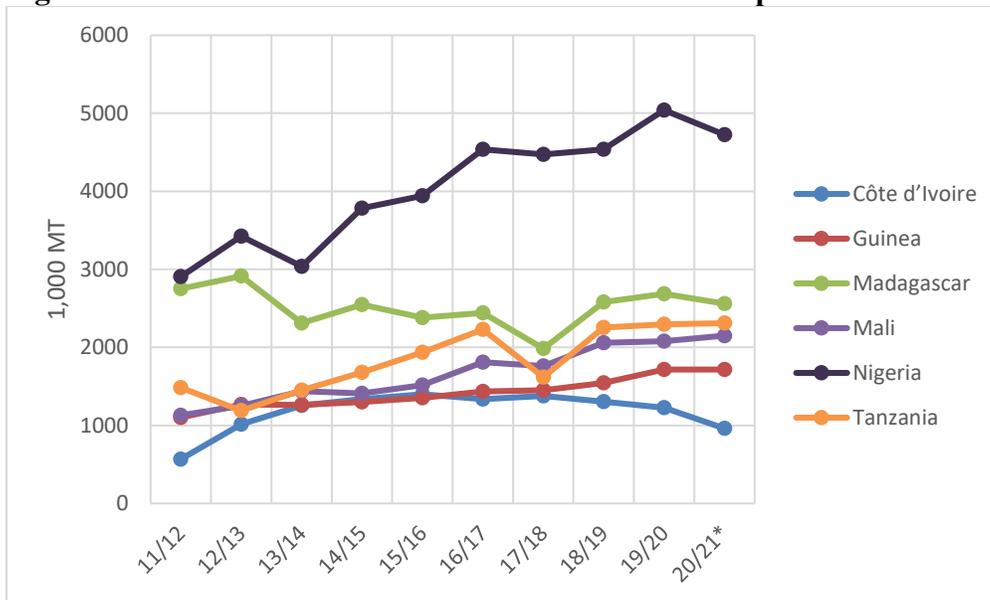
By MY 2020/21 estimates, Côte d'Ivoire is the sixth-largest rice producer in Sub-Saharan Africa, behind Nigeria, Madagascar, Tanzania, Mali, and Guinea. The stated priorities of the 2020-2030 SNDR in general are to get improved inputs to producers in much higher quantities, and to also boost domestic 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. Ivorian rice producers face a number of challenges including minimal irrigation, lack of access to mechanization and other agricultural services such as financing, poor post-harvest handling practices and infrastructure, and a lack of quality inputs and certified seeds. Domestic production is overwhelmingly carried out by small holder farmers that generally rent small plots for the purposes of household consumption. The United Nations Food and Agriculture Organization (FAO) estimates there are approximately 600-800,000 Ivorian rice producers.³ In the

² ReliefWeb, 2020. <https://reliefweb.int/report/c-te-divoire/c-te-d-ivoire-floods-emergency-plan-action-epoa-dref-n-mdrci012>

³ FAO, 2021. *Analyse de la chaîne de valeur riz en Côte d'Ivoire*. <http://www.fao.org/documents/card/en/c/CB1506FR/>

current market year, it is estimated that 47 percent of the national crop was kept by the producer for consumption in the household or within the immediate community.

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



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

Through the SNDR for the 2020-2030 period, the Government of Côte d’Ivoire (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. Post and USDA official estimates differ slightly and consider this to be more of a moving target that will exceed 2.0 MMT by the target date, as consumption will continue to rise due to population growth and urbanization, among other trends. By 2030, the strategy seeks to raise Ivorian rice production and competitiveness even further to become an exporter to regional neighbors as well. The willingness on the part of the state, industry, and other stakeholders to increase productivity is certainly clear from the SNDR, but aforementioned limitations in linking producers with better inputs, financing, and infrastructure could continue to hinder the sector’s growth.

Consumption:

MY 2021/22 domestic consumption is projected at 2.2 MMT. An overall slowdown in economic activity vis-à-vis the price sensitivity of many consumers accounts for a stagnation in consumption, with MY 2020/21 also estimated at 2.2 MMT. Post expects that, based on overall economic indicators and pace of trade to date, consumption will remain stable, eventually returning to its pre-COVID growth trajectory. While GOCI estimates 2.0 MMT of milled rice would satisfy domestic consumption by 2025, USDA official and Post estimates place national rice consumption slightly higher based on available data. Population growth and changing diets will almost certainly increase this figure further by 2025. As a result, rice imports will continue to play a role in Côte d’Ivoire for the foreseeable future, but the country’s status as one of the five-largest importers in the world will likely slip.

Domestic production continues to lag, but the country is succeeding in its goal of modernizing and expanding its milling capacity. It is moving forward with the construction and opening of 30 mills each

with annual capacity of 20,000 MT (paddy basis). To date, ten of these mills are complete with another twenty coming online in the next one to two years. Four of the completed mills have been transferred to private operators, with another four being transferred in the coming year. These new facilities join over 2,500 existing mills, which is down from a peak of nearly 3,000 mills in 2017/18. While most of those existing mills are informal and outdated with much lower capacity, many are also underutilized and the country has significant excess milling capacity on paper. In the current campaign, the smallest 2,185 mills (less than 1 ton/hr capacity) had collected an estimated 70 percent of all deliveries of domestic paddy rice to milling facilities. The 402 slightly larger mills (between 1-2 tons/hr) collected 27 percent, while the largest 10 mills currently operational in the country (+2 tons/hr) collected an estimated 3 percent.⁴

GOCI seeks to increase private sector involvement in this expanded milling sector. However, in addition to a shortfall in national production, new mills may struggle to collect the available domestic paddy rice with the existing informal mills continuing to capture and process a large portion of national production. As a result, modern mills coming into service may require supplementary rough rice to operate nearer to capacity and profitability. Rather than sitting idle for long periods of the year and representing a poor investment for any prospective private sector operators, GOCI has proposed commercial purchases of U.S. rough rice to supplement the shortfall and allow the mills to operate more regularly throughout the year. Based on initial estimates, the requirement could be as high as 350,000 MT through the first three years. More info on this is contained in the *Trade Focus* section below.

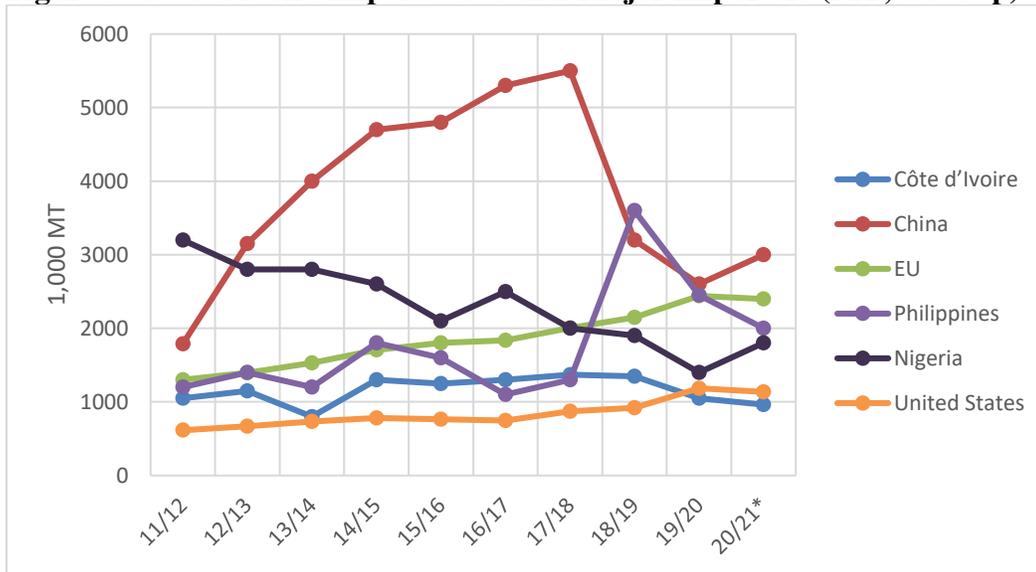
Trade:

Post projects MY 2021/22 imports at 1.1 MMT, up slightly from Post's MY 2020/21 estimate of 1.0 MMT. Despite production challenges, the pace of imports also slowed significantly in the current year. A moderate rebound in production is projected, which will keep the country's imports relatively stable in the short term. Robust wheat imports and strong production of more traditional foodstuffs such as tubers also suggest good availability and cost-effectiveness of other staples. Given the price sensitivity of the average Ivorian consumer, coupled with the steep fall in restaurant/hospitality activity, rice demand has slowed and may not recover fully in the 2021/22 market year. National production will likely begin to outpace imports on a more consistent basis.

For a number of years, Côte d'Ivoire was among the top-five largest rice importers globally. Given the conditions in 2020/21, it has slipped somewhat but remains a major importer, still sourcing roughly 50 percent of its consumption requirement via the global market. The price sensitivity of the market means traders source primarily from the most competitive origins, mainly Vietnam, India, and Thailand, and more recently China. Aside from occasional monetization and food assistance, U.S. rice has been absent from the country's commercial market for a number of years due to its higher price. Yet U.S.-origin or American brand products are viewed very favorably, considered synonymous with high quality. Rice is no exception, and many traders and consumers still have memory of U.S. rice more widely available on the local market over two decades ago. Based upon USDA official estimates of other major rice importers, compared with Post estimates for Côte d'Ivoire, the country will remain a top-ten global rice importer for the foreseeable future, but will likely remain outside the largest global importers, as illustrated in Figure 3 below.

⁴ ADERIZ, 2021. *Production Rizicole, Avril 2021*.

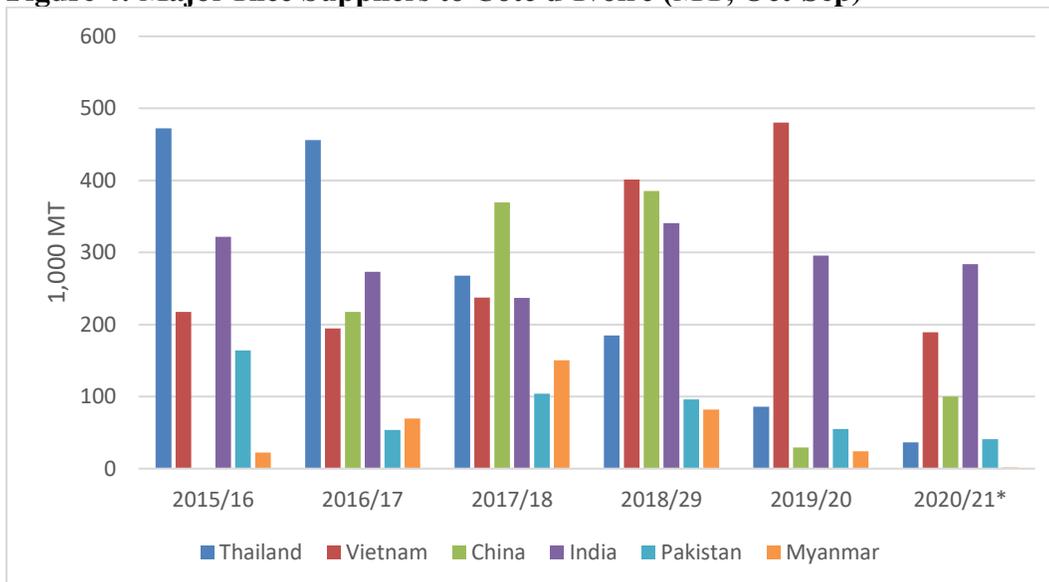
Figure 3: Côte d'Ivoire Imports vs. Other Major Importers (MY, Oct-Sep)



Source: PS&D; *USDA/Post estimates

In the current market year, Thai rice continues its trend of diminishing presence on the local market. Shipments from Vietnam have also been slow in comparison to recent years. Meanwhile, Chinese rice has returned to the market in the first half of the market year, with imports from India also very strong thus far.

Figure 4: Major Rice Suppliers to Côte d'Ivoire (MY, Oct-Sep)



Source: Trade Data Monitor (TDM); *YTD, October 2020 – March 2021

In addition to GOCI's production targets contained in its SNDR policy, they also aspire to being an exporter to the region by 2030. In recent years, the primary avenue for domestic exports were small quantities of paddy rice grown in border areas being transported informally to neighboring countries.

Yet most of this trade has slowed in the current year as domestic supplies tighten. To date, a mere 2,400 MT of paddy rice has been logged as exports to neighboring countries. There is also a small trade of milled domestic rice to Ghana and Burkina Faso, but this has only totaled 13,000 MT through March 2021. Post projects MY 2021/22 exports at no more than 20,000 MT, and estimates the same for MY 2020/21.

While official exports of domestic rice are limited by tight supplies, the Port of Abidjan remains a significant transshipment point of Asian-origin milled rice to other markets in the region. In comparing trade data from various exporting countries with Ivorian statistics, Post estimates that at least 200,000 MT was transshipped through Abidjan to countries in the Sahel in MY 2019/20, but also to coastal countries such as Ghana. The Sahel region has long relied upon Abidjan and other coastal ports for imported agricultural commodities. In the case of Ghana and other coastal countries, the absence of restrictions and slightly lower applied tariffs to milled rice in Côte d'Ivoire may account for the viability of this trade.

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

Given the sudden excess of milling capacity coming online in the country, the domestic sector is seeking to supplement the seasonal and currently insufficient domestic crop with imports of rough rice. By some estimates, this could total up to 350,000 MT over the next 2-3 years, but this figure is subject to change based on the country's domestic production situation. As a major exporter of rough rice, this represents an interesting opportunity for the United States. The export of rough rice would allow U.S. suppliers to penetrate a market that has not been commercially viable for over two decades. The associated benefits for the country's milling sector creates a relationship in which both U.S. and Ivorian interests would be advanced. While much further into the future, Côte d'Ivoire's desire to not only achieve greater domestic productivity but become a regional supplier could also create additional market linkages to other West African markets. A number of the operators shown in Figure 5 below are already exploring the feasibility of importing U.S. rough rice.

Stocks:

Post projects MY 2021/22 ending stocks at 305,000 MT. MY 2020/21 ending stocks are estimated at 225,000 MT, down from 483,000 MT the year prior. The country experienced a noticeable slowdown in rice imports as COVID-related lockdowns and supply chain disruptions emerged in early 2020. From February to July 2020, imports totaled just 359,000 MT, down nearly 39 percent from the five-year average in the same period. While imports gained strength heading into MY 2020/21, this did not cover the lost trade. As a result, in-country stocks have tightened considerably. GOCI estimates MY 2020/21 on farm stocks at 277,000 MT paddy, or approximately 180,000 MT milled basis, with the remainder made up of imported milled rice. Post expects stocks to rebuild in coming years as both trade and domestic production stabilize.

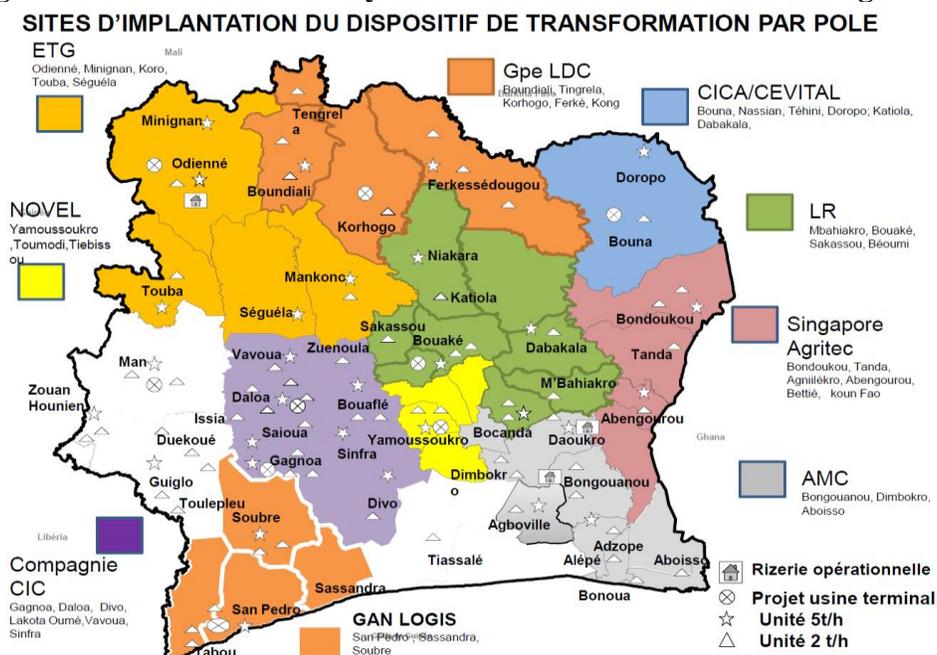
Policy:

While Côte d'Ivoire maintains a relatively open, market-oriented economy, it clearly intends to reduce its imports of milled rice, and sees this as a vital food security issue. The September 2019 creation of the Ministry of Rice Promotion (MPR) dedicated solely to the rice sector indicated the urgency it assigned to this issue. Consider that the MPR joined an existing Ministry of Agriculture and Rural Development (MINADER), ADERIZ, the National Agency to Support Rural Development (ANADER), the National Center for Agronomic Research (CNRA), the Interprofessional Fund for Agricultural

Research and Counsel (FIRCA), and a host of development partners (donors, international orgs, NGOs) committed to working in the rice sector, and there is a significant apparatus of both the state, industry and non-governmental community wholly focused on boosting domestic rice productivity and competitiveness. In early April 2021, as President Alassane Ouattara announced his new cabinet, the recently established MPR was rolled into MINADER and no longer functions as an independent Ministry.⁵

Côte d'Ivoire, in striving to boost its domestic productivity, has so far refrained from implementing trade restrictive measures on rice trade, and emphasizes that it wishes to compete with imported Asian rice by investing in its own sector and promoting innovation rather than constructing barriers. Its 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. That deadline was subsequently moved back to 2020, and again most recently to 2025. In previous SNDRs, the state divided its territory into ten “pôles”, or zones of influence. Each zone, estimated to have a production potential of at least 200,000 MT of milled rice per year, would be under the stewardship of a private operator. These zones were in turn subdivided into 48 smaller production basins, in which small and medium size processors would contract with local producers.

Figure 5: Division of Territory and Potential Mill Sites Under Original SNDR



Source: ADERIZ

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 perceived weaknesses. 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. One problem identified was that,

⁵ Presse Côte d'Ivoire, 2021. <http://pressecotedivoire.ci/article/9490%20-%20secteur-rizicole-le-ministre-adjoumani-kobenan-veut-poursuivre-loeuvre-de-gaoussou-toure>

during the period 2012-2020, reportedly only 13 percent of necessary funding could be mobilized to pursue these objectives. A major change of the SNDR 2020-2030 is that it divides the country into 20 rice “pôles”, or zones of influence, thus further dividing the zones illustrated above.

The leading companies are now the driving force behind the development of rice cultivation in Côte d'Ivoire and will have to develop and implement integrated rice projects including irrigation, plot development, production/multiplication of high-grade seeds, mechanization, and support for rice farmers in inputs, agricultural advice, and financing. The construction of additional large capacity factories including stores, sheds and storage silos is also a stated priority. GOCI hopes these reforms will lead to a greater professionalization of the sector.

During its brief existence, MPR initiated a policy focused on reducing the number of rice varieties in circulation to go from a hundred cultivated varieties to 5-7 varieties for all ecologies. This new approach, which will harmonize the quality of rice in factories and shops, is supported by the signing of an agreement with the National Agricultural Research Center (CNRA) and the African Rice Center (AfricaRice) with a view to the production and distribution of high-yield certified seeds.

Marketing:

The supply chain for imported rice is mainly funneled through a small number of large importers that possess extensive warehousing and means of transport. Numerous smaller traders import milled rice as well, but a handful of companies account for the overwhelming majority. Imported rice is generally re-bagged and branded in-country, and there is a wide array of locally developed brands. 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. As modern milling facilities in-country continue to come online and link with producers, the landscape for Ivorian-produced rice could be changing. For the domestic rice that does leave the producer’s household/community, there are a number of locally developed brands such as Nora and Bandama that are available nationwide. Official statistics for the current campaign report an ex-factory price of 310 XOF (\$0.56) per kilo for domestic milled rice.

Production, Supply and Distribution Table:

Rice, Milled Market Year Begins Cote d'Ivoire	2019/2020		2020/2021		2021/2022	
	Oct 2019		Oct 2020		Oct 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	740	750	875	635	0	750
Beginning Stocks (1000 MT)	528	528	278	483	0	225
Milled Production (1000 MT)	1250	1225	1400	962	0	1200
Rough Production (1000 MT)	1923	1885	2154	1480	0	1846
Milling Rate (.9999) (1000 MT)	6500	6500	6500	6500	0	6500
MY Imports (1000 MT)	1050	980	1200	1000	0	1100
TY Imports (1000 MT)	1100	1100	1200	1000	0	1100
TY Imp. from U.S. (1000 MT)	28	0	0	0	0	0
Total Supply (1000 MT)	2828	2733	2878	2445	0	2525
MY Exports (1000 MT)	50	50	50	20	0	20
TY Exports (1000 MT)	50	50	50	20	0	20
Consumption and Residual (1000 MT)	2500	2200	2500	2200	0	2200
Ending Stocks (1000 MT)	278	483	328	225	0	305
Total Distribution (1000 MT)	2828	2733	2878	2445	0	2525
Yield (Rough) (MT/HA)	2.5986	2.5133	2.4617	2.3307	0	2.4613

(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 2021/2022 = January 2022 - December 2022

Attachments:

No Attachments