

BENIN



OVERVIEW OF RICE PRODUCTION

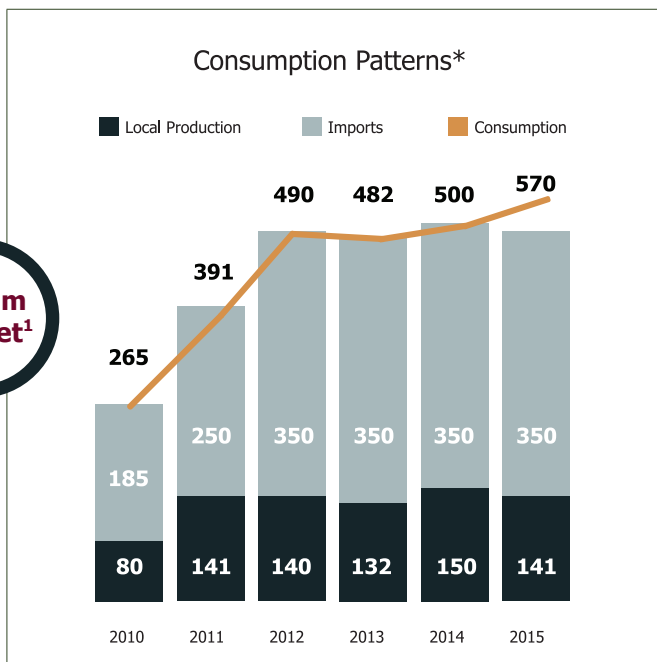
Benin has great potential to promote expansion of rice farming thanks to its supply of irrigable land (322 000 ha, of which only 10% are used in practice), its surface water and underground water resources, and the availability of research-proven technologies.

INDUSTRY (CONT'D)

The Rice Growers Association of Benin received funds from various international groups to promote local rice production and reinforce producers' capacity building.

570,000MT annual rice consumption	141,000MT local domestic production
350,000MT annual rice imports	42kg per capita consumption
30% self sufficiency ratio	\$420/MT¹ price per tonne

\$240m market¹



SOURCE: FAOSTAT, USDA FAS GAIN Report, Team analysis

¹ Estimate assuming 2015 milled rice price and 20% import duties and charges

OVERVIEW OF RICE PRODUCTION

INDUSTRY CHALLENGES

There are major constraints limiting development of the rice sector, include biotic and abiotic stresses, the isolation of the production zones, the absence of tailored credit, a lack of equipment and suitable implements, and lack quality inputs.

Irrigation systems are provided by government and donors mainly Chinese and European. NGOs provide funding for some of the government initiatives such as the distribution of water pumps, and for other rice-related projects as well.

LOCAL PRODUCTION AND IMPORT SOURCES

***Informal cross-border trade is a major characteristic of Benin's rice economy. Imports from other countries sold to Nigerian traders not usually captured in official estimates.**

Local production has been largely stable over the past few years with imports driving majority of supply.

Key import sources are

- Thailand, India, Pakistan for fragrant rice, and
- USA for parboiled rice

VALUE CHAIN ANALYSIS

PRODUCTION	PROCESSING	END USE
<ul style="list-style-type: none">• Degraded soils with low fertility• Heavy weed infestations• Climate deterioration• Low fertilizer use due to cost• Lack of particular inputs• Land tenure	<ul style="list-style-type: none">• Absence of tailored credit• Lack of modern processing equipment• Poor post harvest downstream conditions to sustain quality and moisture content	<ul style="list-style-type: none">• Despite guaranteed market, 75% of production in Northern Benin is sold to Nigerian and Niger traders at higher prices for cash• This is due to high import levies on rice especially by Nigerian government• Consumption may be overestimated due to cross-border informal trade

SOURCE: FAOSTAT, USDA FAS GAIN Report, Team analysis

OPPORTUNITIES FOR VALUE CREATION

Production	<ul style="list-style-type: none">• Improve productivity of farming: Investment in high-yielding, disease resistant, short-duration varieties.• Enhance farming skills: Investment in agronomy training and extension services for farmers.
Processing	<ul style="list-style-type: none">• Invest in productivity enhancements: Investment in scalable milling, scaling, threshing technologies in processing.• Invest in irrigation facilities (currently <5% of farmland) to reduce dependence on rain-fed farmland.• Invest in scalable technologies for land clearing, harvesting, planting.• Explore solar energy driven processing to drive down production cost and leapfrog infrastructure challenges.
Distribution	<ul style="list-style-type: none">• Invest in high-technology storage facilities across different regions to facilitate efficiency of distribution and logistics.
Marketing	<ul style="list-style-type: none">• Enhance public perception of locally produced rice by highlighting nutritional benefits and quality of eating unpolished rice.

SOURCE: FAOSTAT, USDA FAS GAIN Report, Team analysis

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