

BURKINO FASO



OVERVIEW OF RICE PRODUCTION

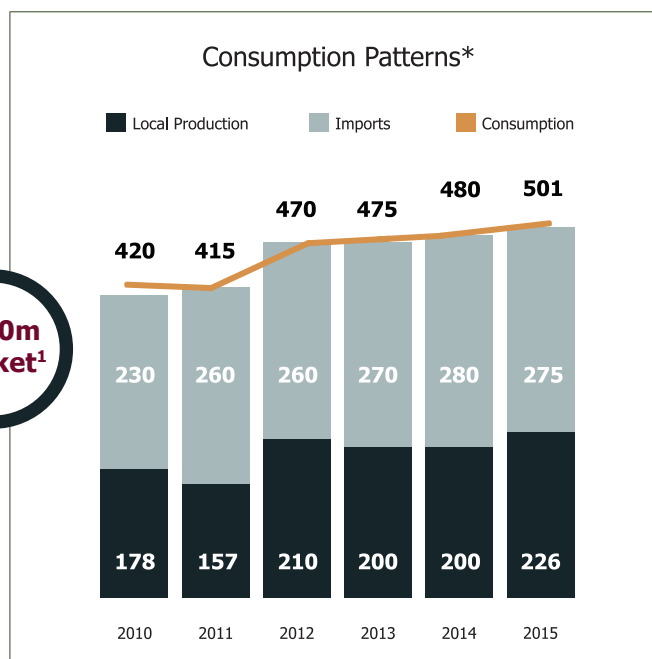
Rice production in Burkina Faso is promising because of good yields and a large number of longstanding rice farmers. While rice consumption in Burkina Faso is constantly increasing, national rice production covers no more than 47% of population needs. Paradoxically, Burkina Faso has strong unexploited potential for rice growing: less than 10% of the 500,000 ha of lowland that could be developed has been developed.

| | |
|---|--|
| 501,000MT annual rice consumption | 226,000MT local domestic production |
| 275,000MT annual rice imports | 27kg per capita consumption |
| 40% self sufficiency ratio | \$420/MT¹ price per tonne |

\$210m market¹

CONSUMPTION PATTERNS

Consumption has been rising steadily over the past decade and is currently at its highest ever point of 590,000 MT.



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

- Value chain highly fragmented with limited access to CAPEX or working capital financing.
- Market share of local rice stunted due to availability of less expensive imported rice from Taiwan.
- ~100k smallholders exist already in Burkina Faso with yields of ~2 y water containment, or strictly rainfed methods (50% is from strictly rainfed).
- Lack of storage facilities, bad roads, and poor electricity impede productivity.
- Bagre Growth pole project is priority investment zone with irrigation potential.

LOCAL PRODUCTION AND IMPORT SOURCES

Imports have exceeded domestic production for at least the past 5 years making up ~60% of supply. The West has 26% of the production. Bagréis seems most attractive production region (with 23% of production) due to good transport links to Ouagadougou.

Other road networks are bad. There is a plan to expand Burkina's irrigated land (from 1,800 ha to 15,000 ha). Rice is a cash and staple crop in the region. Taiwan is country's major rice importer.

VALUE CHAIN ANALYSIS

| PRODUCTION | PROCESSING | END USE |
|--|--|---|
| <ul style="list-style-type: none"> • Virtually no commercial producers in a highly fragmented sector • Farmers don't adhere to best production practices • Insufficient inputs, seeds, crop protection | <ul style="list-style-type: none"> • Very fragmented with almost no large scale mill • Lack of storage for inputs, paddy, and processed rice | <ul style="list-style-type: none"> • Majority of population (80%) living below the poverty line • Half of population rice consumption satisfied by imports • Imports almost 40% cheaper than local rice • GoBF plays strategic role in distribution and promotion through SONAGESS |

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.• Invest in irrigation facilities (currently <5% of farmland) to reduce dependence on rain-fed farmland. |
| Processing | <ul style="list-style-type: none">• Invest in productivity enhancements: Investment in scalable milling, scaling, threshing technologies in processing.• 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">• Focus on branding efforts to improve public perception of locally produced rice. |

SOURCE: FAOSTAT, USDA FAS GAIN Report, Team analysis

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