

SISFUV

Successful incursion of Small-scale Farmers in upgrading value chains: Rice and Milk in the Senegal river Valley

ABSTRACT

In Senegal, rice farmers mostly sell their paddy to artisanal hullers. Since the 2007/2008 food crisis, private investments have been made in large hulling units, sometimes with the support of public policies. To ensure their supplies, these rice farmers are setting up new modes of coordination with producers cultivating less than 2 hectares, in connection with the credit financing of rice campaigns. The marketing contract matches a quality level of paddy with a price negotiated within the inter-profession. The production contract provides for the reimbursement in paddy of the input credit provided by the rice farmers. However, the impact of this change in governance on the remuneration and food security of small-scale producers is not clear.

Keywords : Sustainability, Society, Production system, Family agriculture, Demand, Governance, Small-scale producer, Rice, senegal

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Project leader : Paule Moustier

Project leader's institution : CIRAD

Project leader's RU : MOISA

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Total budget allocated (including co-financing) : 15426 €

Funding : LAbex

GOAL

The SISFUV project aims to identify the impact of contract selling on the income and food security of small-scale producers in the Senegal River Valley.

ACTION

The objective is achieved through a combination of quantitative and qualitative approaches:

Conducting a cross-sectional survey of 607 rice farmers

Estimation of the impact of the contracts by parametric (instrumental variable) and non-parametric (Propensity Score Matching) modelling. The income or food security of a "treated" group (selling by contract) is compared to a "control" group (selling by negotiation).

Discussions of the estimate with producers, and research and development partners, to identify impact pathways.

RESULTS

The project results contrast with the literature, which states that contracts improve producers' income.

The marketing contract does not have a significant effect on producers' incomes since it does not allow them to access more productive inputs than those obtained through negotiation, nor to sell at a higher price. The production contract has a negative effect on producers' incomes since it includes an implicitly high cost of interest and credit insurance. On the other hand, producers who sell by contract also use selling by negotiation, which increases their profit. Finally, the marketing contract improves the food security of producers, since it mitigates price seasonality, which confirms the few researches including this indicator.

PERSPECTIVES

The transformation of the Senegalese rice value chain still needs to be questioned. Agribusiness investments can impact on the sustainability of agricultural practices and access to land for small-scale producers. Similar processes also seem to be underway in other African countries.