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## Senegal

### Oilseeds and Products

#### Annual

#### 2002

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#### **Report Highlights:**

**Senegalese peanut production reached record levels of 1,003 MT in 2000/01 and current estimates forecast a production level of 903 TMT in 2001/02. Despite the good crop, Senegal's peanut processing parastatal, SONACOS, is deeply in debt, because the 2000/01 farmer price (145 F CFA/kg) was well above the world prices. The IMF has tried to force rationalization of the sector. The crisis has become deeper and broader in 2001/02 season. SONACOS's financial problems have meant it is unable to purchase the planned 537 TMT of this year's crop. Also, the government effort to finance a large scale seed and fertilizer distribution scheme has failed for the 2001/02 season. The situation is likely to worsen in 2002/03. One effect was a decrease in producer price to 120 F CFA/kg for the current season.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Abidjan [IV1], SG

## Executive Summary

Senegal's groundnut sector has been facing a paradoxical situation since the 2000/01 season. Peanut production has reached record levels of 1,003 MT in 2000/01 while the peanut crushing company SONACOS was saddled with a deficit of F CFA 60 billion due to maintaining of the peanut purchasing price (145 F CFA/kg) well above the worldwide market prices.

The crisis has become deeper and broader in 2001/2002 season. SoNACOS's financial problems have meant it is unable to purchase the planned 537 TMT of this year's crop. Also, the government effort to finance a large scale seed, fertilizer distribution scheme has failed, for the 2001/2002 season. Instead of distributing 70,000 MT of seeds as it did in 2000/01, the government will now only distribute 50,000 MT of seeds and 33,000 MT of fertilizers in 2001/02. The situation is likely to worsen in 2002/03.

At the injunction of the IMF, the GOS announced in August 2001 the lowering of the producer price to F CFA 120 kg and the restructuring of the sector. As a result, SONAGRAINES, the peanut purchasing and input supply subsidiary of SONACOS was liquidated in November 2001. SONACOS has put in place a system whereby seed distribution and peanut collection are in the hands of private operators who purchase, collect, transport and deliver the grains directly to SONACOS. These private operators were to be refinanced by SONACOS. So far, the new system has proven ineffective since SONACOS has had difficulties mobilizing financing. The company was able to borrow F CFA 70 billion (25 billion on the local market and the remaining through a Euromarket facility arranged by Citibank and Standard Chartered and secured by SONACOS export revenues) which will allow the purchase of 400 TMT in 2001/02. Citibank and Standard Chartered have conditioned their credit facility to the decrease in crude oil imports by SONACOS.

SONACOS plans to import 16,000 MT of crude oil in 2001/02 compared to 61,000 MT in 2000/01. PS&D tables indicate a decrease of vegetable oil imports from 107,000 MT in CY 1999 to 72,000 MT in CY 2000 with a slight increase to 82,000 MT in CY 2001. Contrary to the previous years, SONACOS will encourage local consumption of peanut oil. Faced with a delay in financing the current campaign, cash-strapped peanut producers have started selling huge quantities of peanuts on the parallel market for 70-85 F CFA/kg.

The GOS is committed to pursuing the privatization of SONACOS in 2003. It has invited tenders from auditing firms to examine the accounts of SONACOS over the past two years. During a national forum on the peanuts sector, which took place in the aftermath of the August 2001 price cut, peanut producers' associations have suggested more emphasis be placed on the export of edible nuts, the market for which is more buoyant than for oil.

Exchange Rate: U.S. \$1.00 = 747 F CFA on February 26, 2001.



PSD Table						
Country	Senegal					
Commodity	Oilseed, Peanut				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Area Planted	650	0	700	0	0	0
Area Harvested	650	1030	700	920	0	920
Beginning Stocks	20	20	35	30	25	38
Production	924	1003	950	903	0	900
MY Imports	5	0	4	0	0	0
My Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	949	1023	989	933	25	938
MY Exports	9	11	9	20	0	20
MY Exp. to the EC	5	0	6	0	0	0
Crush Dom. Consumption	420	537	465	400	0	400
Food Use Dom. Consump.	355	300	357	330	0	330
Feed,Seed,Waste Dm.Cn.	130	145	133	145	0	145
TOTAL Dom. Consumption	905	982	955	875	0	875
Ending Stocks	35	30	25	38	0	43
TOTAL DISTRIBUTION	949	1023	989	933	0	938
Calendar Year Imports	0	5	0	5	0	5
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	10	0	10	0	10
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Senegal					
Commodity	Meal, Peanut				(1000 MT)(PER CENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Crush	420	537	465	400	0	400
Extr. Rate, 999.9999	0.428571	0.420857	0.427957	0.42	0	0.42
Beginning Stocks	3	7	5	3	5	1
Production	180	226	199	168	0	168
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	183	233	204	171	5	169
MY Exports	144	200	162	150	0	148
MY Exp. to the EC	130	80	150	80	0	80
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	34	30	37	20	0	20
TOTAL Dom. Consumption	34	30	37	20	0	20
Ending Stocks	5	3	5	1	0	1
TOTAL DISTRIBUTION	183	233	204	171	0	169
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	133	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Senegal					
Commodity	Oil, Peanut				(1000 MT)(PER CENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		11/2000		11/2001		11/2002
Crush	420	537	465	400	0	400
Extr. Rate, 999.9999	0.35	0.350093	0.350538	0.35	0	0.35
Beginning Stocks	6	3	6	6	5	8
Production	147	188	163	140	0	140
MY Imports	0	2	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	2	0	0	0	0
TOTAL SUPPLY	153	193	169	146	5	148
MY Exports	102	112	109	110	0	110
MY Exp. to the EC	100	110	100	100	0	100
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	45	75	55	28	0	30
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	45	75	55	28	0	30
Ending Stocks	6	6	5	8	0	8
TOTAL DISTRIBUTION	153	193	169	146	0	148
Calendar Year Imports	0	6	0	5	0	5
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	101	0	100	0	100
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

PSD Table						
Country	Senegal					
Commodity	Oil, Soybean				(1000 MT)(PER CENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	0	0	0	0	0	0
Extr. Rate, 999.9999	0	0	0	0	0	0
Beginning Stocks	4	4	3	4	4	9
Production	0	0	0	0	0	0
MY Imports	90	90	95	100	0	100
MY Imp. from U.S.	0	0	0	7	0	3
MY Imp. from the EC	0	85	0	80	0	0
TOTAL SUPPLY	94	94	98	104	4	109
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	91	90	94	95	0	105
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	91	90	94	95	0	105
Ending Stocks	3	4	4	9	0	4
TOTAL DISTRIBUTION	94	94	98	104	0	109
Calendar Year Imports	0	72	0	70	0	70
Calendar Yr Imp. U.S.	0	6	0	3	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Export Trade Matrix			
Country	Senegal		
Commodity	Oil, Peanut		
Time period	Jan-Dec	Units:	MT
Exports for:	1999		2000
U.S.		U.S.	
Others		Others	
France	34502	France	44348
Italy	28321	Italy	26960
Germany	2440	Germany	8199
U.K.	1872	U.K.	3428
West Africa	17	Netherlands	14625
		Switzerland	2975
		West Africa	77
Total for Others	67152		100612
Others not Listed			
Grand Total	67152		100612



Import Trade Matrix			
Country	Senegal		
Commodity	Oil, Soybean		
Time period	Jan-Dec	Units:	MT
Imports for:	2000		2001
U.S.	6191	U.S.	3367
Others		Others	
France	2053	France	15764
Belgium	11857	Belgium	123
Germany	8722	Germany	600
Brazil	8940	Brazil	32436
Netherlands	10957	Netherlands	12548
U.K.	8956	U.K.	1469
Spain	9458	Spain	14865
Argentina	4770		
Gambia	410		
Total for Others	66123		77805
Others not Listed			1295
Grand Total	72314		82467