Economic Community of West African States Workshop On:

AFLATOXIN CHALLENGES IN WEST AFRICAN STATES
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FIELD EXPERIENCE IN GROUNDNUT MARKETING IN THE GAMBIA

PRESENTED BY

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### Introduction

- **Groundnut Cultivation is a Culture in The Gambia;**

- **About 70% of the Population gain livelihood through groundnut Production, Processing & Marketing;**

- **Contributes about 60% of Foreign Exchange Earning;**

- **Source of Food Security & Income Generation for many Households, especially Rural Gambia;**

- **Potential for Poverty Reduction & Household Food Security.**
Estimated Arable land = 558,000 Ha

About 200,000 to 250,000 Ha under Cultivation;

50% of Land Under Cultivation Planted with Groundnuts;

Current Production levels estimated 100K to 150K;

Commercial Potential 50K to 90K: Could be > 100K
Production Vs Commercial Volumes

GROUNDNUT PRODUCTION VS GGC PURCHASES

T O N N E S

0 20,000 40,000 60,000 80,000 100,000 120,000 140,000

2006 2007 2008 2009 2010 2011

Production

GGC Purchases
Export Market

• The Main Export Market for Gambian Groundnuts & Products – EU
  ○ HPS/ Birdfood (Edibles?)
  ○ CGN Oil
  ○ GN Cake

• Stringent Rules on Aflatoxin Levels (EU Regulation 1525/58 and 466/2001 with Amendments) – 2 to 4 ppb
Marketing of Gambian Groundnut

- Little Quantity Produced Destined to Birdfood Market: 4,535 tonnes (2011) instead of 10,800 tonnes

- Prices Discounted by between 65% to 70% compared to American Runner 40/50: US $965 (2011) instead of US $1,400 per tonne (Public Ledger 2011)

- GN Cake Sold as Undetoxified;
  - Price Discounting by about 70% compared to Brazilian Soya 48% Pellet: US $250/tonne (2011) instead of US $480/tonne
Impact of Aflatoxin in GN Marketing - GM

- Limited Production of Edibles (Birdfood) – Crushing to Oil & Cake;
- Possibility of Rejection of Consignments by Importing Country (Seizure & Dumping);
- Issuing of Alerts & Threat of banning the Country from Exporting to EU Countries (Loss of Lucrative Market);
- Limiting Private Participation in GN Marketing – Fear of not being able to Export;
Impact of Aflatoxin in GN Marketing - GM

- GN Pricing Model – International Prices for GN Products;
- Use of Discounted Prices Reduces Earning Capacities of Producers (25 – 40%): From US $450 to US $750/tonne;
- Potential for Poverty Reduction Lost – GN Producers Classified as Poorest of Poor;
- Producers Shifting to Other Crops
  - Further threatening Viability of the Industry
Impact of Aflatoxin in GN Marketing - GM

- Low Volumes – Lack of Economics of Scale: Comparative advantage in Maximization of Edible Exports

- Aflatoxin Constraints
  - Most Processed Consignments high in Aflatoxin (>100 to 200pp not uncommon);
  - In 2011 from Purchased tonnage, GGC could earned US $15m from Edibles but instead earned about US $5.6m (loss of >US $7m);
  - With Potential Commercial of crop of 100k tonnes, Edibles GN alone could generate more US $50m at today’s values.
Impact of Aflatoxin in GN Marketing - GM

- Reduces Per Capita Contribution to Country GDP;
- Threatens Investments in GN Industry – Low to Zero Profitability;
Way Forward

- **Exist Quality Assurance Framework – Adopted: Requiring Funding for full Implementation;**
  - Establishes points of Aflatoxin Contamination in Value Chain;
  - Control Points – Testing & Segregation during buying
  - Steps to being taken to Reduce & Eventually Eliminate Aflatoxin

- **Local & International NGO Working Together on Elimination**
Way Forward

- Enactment of Food Act – Food Safety for both Local & Exports
- Setting up of Codex Committee;
- Training & Sensitization of Producers and all Involved in GN Value Chain (GOTG, ITC, ASPA)
  - Farmer Field Schools – 20 FFS on-going in all the regions – (1.5T/ha)
  - Introduction of Short Cycle Varieties in line with Changing Climatic & Weather Conditions
  - Improving the handling, transportation & processing infrastructure
  - Land & Water Management – Irrigation being Contemplated;
Conclusion

- Groundnut Cultivation is a Culture Amongst Gambian Farmers;
- Elimination of Aflatoxin in conjunction with other interventions will increase current Earnings of Producers by to more than 60% - >Participation;
  - Ensures Quality Food, Food Security & Poverty Reduction;
  - Increases GN Production and therefore Viability of the Industry;
  - Increases the Export Earnings of the Country for Socio-economic Development;
THANK YOU