



# VALUE CHAIN SUPPORT MARKET ASSESSMENT REPORT: AGRICULTURE INPUTS IN SENEGAL

February 2016  
Prepared by: Action for Enterprise



# Table of Contents

List of Abbreviations .....	3
Executive Summary .....	4
I. Introduction .....	7
1.1 Programmatic Targets .....	7
1.2 Support Market Assessment .....	8
II. Support Market Overview .....	9
2.1 Assessment of the End Market for Agriculture Inputs .....	9
2.1.1 Farmers.....	9
2.1.2 Demand for Agriculture Inputs.....	11
2.2 Market Actors.....	14
2.2.1 Agricultural Tools and Equipment Providers.....	15
2.2.2 Agriculture Chemical and Nutrient Companies.....	17
2.2.3 Seed Import/ Production Companies .....	18
2.2.4 Wholesale/Retail Distributors of Agricultural Inputs .....	20
2.2.5 Small-scale Retailers & Mobile Vendors.....	21
2.2.6 Government Entities.....	22
2.2.7 Non-governmental Organizations .....	22
2.2.8 Inter-professional Associations .....	23
III. Market-based Solutions (MBSs) and Illustrative Initiatives .....	24
3.3.1 Sub-Constraints & Corresponding Market-Based Solutions (MBSs) .....	24
3.3.2 Challenges to Providing MBSs to Small-Scale Farmers.....	30
3.3.3 Initial Initiatives Suggested by Lead Firms.....	30
IV. Next Steps in Facilitation Design .....	31
4.1 Next Steps in Facilitation Activity Design .....	31
4.2 Step 1: Invite Lead Firms to Propose Initiatives for AFE Support.....	32
4.2.1 Invitation for Applications (IFA).....	32
4.2.2 Identifying and Attracting Potential Lead Firms.....	33
4.3 Next Steps and Beyond.....	33
Acknowledgements .....	34
Appendices .....	34
Appendix 1: List of Persons Interviewed .....	35
Appendix 2: List of Agricultural Tools & Equipment Importers and Manufacturers.....	38
Appendix 3: List of Chemical and Fertilizer Import and Production Companies.....	39
Appendix 4: List of Government Agencies within the Department of Agriculture .....	40
Appendix 5: Invitation for Applications.....	42
Appendix 6: Request for Expressions of Interest .....	48

## List of Abbreviations

AFE	Action for Enterprise
Ag	Agriculture
Agro	Agriculture
CNI	<i>Carte Nationale d'Identité</i> (National Identification Card)
CNGPC	<i>La Commission Nationale de Gestion des Produits Chimiques</i> (National Chemical Management Committee)
DAPSA	<i>Direction de l'Analyse, des Prévisions et Statistiques Agricoles</i> (Directorate of Agricultural Statistical Analysis and Projections)
DISEM	<i>Division des Semences</i> (Seed Division)
DRDR	<i>Directions Régionale de Développement Rural</i> (Regional Directorate of Rural Development)
FCFA	<i>Communauté Financière Africaine</i> (African Financial Community – West African Franc)
FGD	Focus Group Discussion
GIE	<i>Groupement d'Intérêt Economique</i> (Economic Interest Group)
IFA	Invitation for Applications
ISRA	<i>Institut Sénégalais de Recherches Agricoles</i> (Senegalese Institute of Agricultural Research)
kg	Kilograms
LF	Lead Firm
LOASP	<i>La Loi d'Orientation AgroSylvo Pastorale</i> (Agro-Sylvo-Pastoral Act)
MBS	Market-based Solution
NGO	Non-governmental Organization
SMEs	Small and Medium-scale Enterprises
UNIS	<i>Union Nationale Interprofessionnelle des Semences du Sénégal</i> (National Interprofessional Union for Seeds in Senegal)

## Executive Summary

Action for Enterprise (AFE) is beginning a program in Senegal, West Africa, to support the development of agricultural and livestock input and output markets for small-scale farmers and livestock producers. To launch this program, AFE began with an investigation of the agriculture *inputs* support market. This report presents the results of the assessment (a simultaneous assessment has also been undertaken by AFE of the animal health and livestock inputs support market. See report entitled, *Value Chain Support Market Assessment Report: Animal Health & Livestock Inputs in Senegal*).

Agriculture in Senegal involves 60% of the total population or more than 700,000 households. A resounding constraint remains consistent for small-scale famers across the country. This is the *lack of access to quality and affordable agriculture inputs*, including agricultural tools, equipment, fertilizers, nutrients, pesticides, seed, and more. Given this constraint, AFE initiated an abbreviated assessment of the support market for agriculture inputs. This assessment took place from January through February 2016 and involved interviews with 61 “key informants” including major market actors, farmers, government representatives, and others located both in rural areas as well as urban and semi-urban “economic hubs” that are serving small-scale farmers.

As part of the assessment, AFE undertook the following:

- Development of detailed descriptions of major market actors in the agriculture inputs support market, including their market functions, activities, interrelationships, trends, opportunities and challenges (*Section 2*)
- Development of an input supply support market map which visually showcases the leverage point opportunities for program implementation (*Section 2*)
- Identification of input supply companies (*Lead Firms*) with interests and incentives to expand their commercial sales networks to reach low income small-scale farmers (*Section 2 & 3*)
- Identification of specific constraints that small-scale farmers face in accessing affordable and good quality inputs (*Section 3*)
- Identification of market-based solutions to address these constraints (“*market-based solutions*” refers to activities that market actors undertake that address farmer constraints in a commercially viable and sustainable manner) (*Section 3*)
- Identification of key challenges that Lead Firms (input supply companies and their intermediaries) face in improving their products and expanding their commercial sales networks to low income, small-scale farmers (*Section 3*)
- Uncovering of initiatives that Lead Firms would like to undertake to improve/expand the products, services and support (market-based solutions) they provide to small-scale farmers (*Section 3*)
- Preparation of next steps in program implementation (*Section 4*)

The primary actors in the agriculture input supply support market in Senegal include the following:

- **Agricultural Tool & Equipment Providers**, such as Importers, Manufacturers, and Tool Makers
- **Agricultural Chemical & Nutrient Companies**, such as Chemical and Fertilizer Import and Production Companies and Organic Fertilizer Vendors
- **Seed Import & Production Companies**, such as Importers, Production Companies, and Seed Outgrowers
- **Wholesale/Retail Distributors of Agricultural Inputs**
- **Small-scale Retailers**
- **Mobile Vendors**

- **Government Entities**, such as the *Institut Sénégalais de Recherches Agricoles* (ISRA – Senegalese Institute of Agricultural Research) and the *Direction de l’Agriculture* (Directorate of Agriculture) among others within the Ministry of Agriculture and Rural Equipment
- **Non-governmental Organizations**
- **Inter-professional Associations**

As part of this assessment, AFE validated that the overarching constraint which farmers face is indeed “***lack of access to quality and affordable inputs.***” Access here encompasses issues of distance to and scarcity of quality and affordable inputs. From a value chain/ market development perspective, the overarching market-based solution (MBS) that can respond to this constraint is “***access to quality and affordable inputs for farmers.***”

Within the agriculture inputs support market, many private-sector market actors, referred to in this report as ***Lead Firms***, have both interest and incentives to develop and expand their provision of this MBS to small-scale farmers. These include many of the commercial market actors listed above. But these market actors are not without their own set of challenges in expanding and improving their provision of inputs to both intermediaries and farmers. According to those interviewed, these challenges include, but are not limited to:

- Lack of commercial sales networks to sell their products in rural areas
- Difficulty in meeting commercial demand for quality, certified seed in quantities requested
- Difficulty in estimating commercial demand for inputs due to the interference of (unpredictable) government subsidies
- Lack of financial means of small-scale farmers to purchase agricultural inputs
- Competition from counterfeit and degraded products in the marketplace
- Degradation of agricultural inputs during transportation or storage
- Lack of technical expertise in seed multiplication
- Lack of awareness of financing opportunities for business expansion

Despite the challenges Lead Firms face in providing quality and affordable inputs to farmers, these businesses are willing and eager to invest resources in various initiatives which will work towards their provision of the MBS to targeted farmers. Interviews with Lead Firms revealed a diversity of initiatives that they are interested in undertaking to improve and expand their operations to more remote areas. Examples of such initiatives Lead Firms are interested in undertaking include, but are not limited to, the following:

- Expansion of commercial sales networks (via new store openings, new partnerships, etc.) to reach additional geographic areas of the country for sales of seed, equipment, and other inputs
- Training and information for small-scale farmers regarding the proper application of seed and other inputs
- Expansion of seed outgrower operations to increase the quantity of quality seed, including expansions in new geographic areas
- Training for seed outgrowers to improve production of seed
- Support to seed outgrowers in developing irrigation systems for enhanced seed production
- Improvement of seed preparation and packaging to enhance the quality of seed, provide essential information, enhance traceability, and better meet the needs of small-scale farmers
- Access additional funding to increase production of quality seed
- Collaborate with financial lenders to facilitate farmer purchases of agricultural equipment

- Design and implement opportunities/events/demonstrations to introduce quality, affordable tools and equipment (offered by the company) to farmers
- Carry out field demonstrations to small-scale farmers to showcase quality chemicals and nutrients as well as the impacts of counterfeit, diluted, expired, unlabeled, or noncertified products on the market
- Building of internal capacities to provide technical support and services to farmers and intermediaries
- Diversification of products such as development of compost materials

These initiatives will be led entirely by the Lead Firms themselves. They will advance their business goals but also generate benefits for small-scale farmers as well as growth to agricultural value chains. Planned technical and financial support from the AFE program will enable them to develop and embark on these new endeavors thereby creating sustainable impact for small-scale farmers.

AFE facilitation activities will be based on supporting the initiatives proposed by Lead Firms that will improve their competitiveness as well as the agricultural inputs, services and support they provide to small-scale farmers. In order to determine these initiatives, the Lead Firms will be given the opportunity to put forth their priorities. This will promote ownership of the initiatives by the Lead Firms themselves as well as sustainability. This will be done using an **“Invitation for Applications” (IFA)** that will be issued from the AFE Senegal office. The IFA will provide a format that Lead Firms can use to apply for technical and financial support (*support that will allow them to improve their competitiveness and overcome challenges they face in improving/expanding the commercial inputs, services and support they provide to farmers*). A draft of this IFA is provided as an appendix to this report. A draft public advertisement (request for expressions of interest) that the project will use to identify additional Lead Firms is also included.

This assessment has provided a strong foundation for program implementation moving forward. It has revealed strong interest among the private sector to invest in the agricultural inputs support market as well as to collaborate with the AFE program. Lastly, it has positioned AFE for expedient implementation of facilitation activities.

## I. Introduction

Action for Enterprise (AFE) is beginning a program in Senegal, West Africa, to develop agricultural and livestock input and output markets for small-scale farmers and livestock producers. This report presents the results of AFE's abbreviated assessment of the *agricultural inputs support market*. Included in this section of the report is a brief overview of the program targets and mention of methodologies in conducting the assessment.

Later sections of the report, include a description of the market actors involved in the agriculture inputs supply market, constraints that farmers face in accessing and using improved inputs, market-based solutions that can address those constraints, illustrative initiatives proposed by input supply companies to help them improve/expand market-based solutions, and next steps in program implementation.

### 1.1 Programmatic Targets

In Senegal, West Africa, AFE is launching a program to **develop agricultural input and output markets for small-scale farmers**. In order to ensure sustainability of impact, the program will support private sector market actors or Lead Firms<sup>1</sup> (LFs) in the agricultural and livestock sectors to improve:

- their business competitiveness
- the competitiveness of the small and medium-scale enterprises (SMEs) operating as intermediaries in their supply chain or sales/distribution channels, and
- the products, services and support that they (and their intermediaries) provide to farmers and producers that ultimately purchase the companies' products or produce the raw materials they need.

The program will work with at least ten LFs who in turn will build the capacity of 150 of their SME intermediaries. Together the LFs and SME intermediaries will provide improved/expanded products, services, market access and support to an estimated 15,000 small-scale farmers and livestock producers. ***This in turn will result in improved agricultural and livestock productivity and generate over \$10.6 million in incremental revenue for the LFs, SMEs, and farmers/producers.*** In addition, the relationships and improved transactions between LFs, SMEs and farmers/producers will be sustainable through market forces and will last well beyond the duration of the project. Figure 1 shows a visual representation of the expected number of market actors to be impacted by AFE program activities.

Agribusiness LFs such as seed companies, other input supply companies, exporters, and processors all have strong commercial incentives to build the capacity, upgrade, and accelerate the development of both the SME intermediaries and the farmers/producers they buy from or sell to. They face a number of challenges doing this on their own in the short/medium term however including a lack of resources and/or experience in developing and implementing effective promotion, capacity building and product development activities.

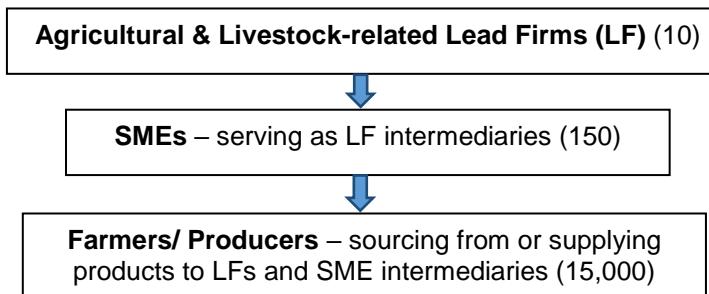
The AFE program will support agribusiness LFs in Senegal to carry out a wide variety of company-specific as well as cross-company initiatives that will build the capacity of SME intermediaries and

---

<sup>1</sup> Small, medium, or large firms that have forward or backward commercial linkages with a significant number of micro, small and medium enterprises (including farmers). Also known as an “Inclusive Businesses” they include processors, exporters, traders, input companies, service providers, etc. that play a critical role in moving their industry, and other value chain participants forward.

farmers/producers in their supply chains and commercial sales networks and create sustainable impacts based on continued market relationships.

**Figure 1. Expected number of market actors impacted through AFE program activities**



## **1.2 Support Market Assessment**

To launch this program in Senegal, AFE began with an investigation of the agriculture *inputs* support market. Despite various constraints faced by farmers throughout Senegal, a resounding constraint remains consistent for small-scale famers. This is the ***lack of access to quality and affordable agriculture inputs***.

Given this constraint, AFE initiated an abbreviated assessment of the support market for agriculture inputs. This assessment took place from January through February 2016 and involved interviews with 61 “key informants” including major market actors located in rural and urban “economic hubs” that are serving rural areas as well as farmers, government representatives, and others. Appendix 1 provides a list of persons interviewed.

As part of the assessment, AFE undertook the following:

- Development of detailed descriptions of major market actors in the agriculture inputs support market, including their market functions, activities, interrelationships, trends, opportunities and challenges (*Section 2*)
- Development of an input supply support market map which visually showcases the leverage point opportunities for program implementation (*Section 2*)
- Identification of input supply companies (*Lead Firms*) with interests and incentives to expand their commercial sales networks to reach low income small-scale farmers (*Section 2 & 3*)
- Identification of specific constraints that small-scale farmers face in accessing affordable and good quality inputs (*Section 3*)
- Identification of market-based solutions to address these constraints (“*market-based solutions*” refers to activities that market actors undertake that address farmer constraints in a commercially viable and sustainable manner) (*Section 3*)
- Identification of key challenges that Lead Firms (input supply companies and their intermediaries) face in improving their products and expanding their commercial sales networks to low income, small-scale farmers (*Section 3*)
- Uncovering of initiatives that Lead Firms would like to undertake to improve/expand the products, services and support (market-based solutions) they provide to small-scale farmers (*Section 3*)
- Preparation of next steps in program implementation (*Section 4*)

This report details the results of this abbreviated assessment and provides a draft plan for immediate next steps. A simultaneous assessment has also been undertaken by AFE of the animal health and

livestock inputs support market (*see report entitled, Value Chain Support Market Assessment Report: Animal Health & Livestock Inputs in Senegal*).

## II. Support Market Overview

This section of the report presents an overview of the agriculture inputs support market. It begins with an assessment of the end market for agriculture inputs and is followed by a description of the various markets actors including their market functions, activities, interrelationships, challenges and recent trends. A support market map provides a graphical representation of the market.

### 2.1 Assessment of the End Market for Agriculture Inputs

The end market for agriculture inputs (*for the purpose of this report and the AFE program*) are farmers—ranging from commercial to small-scale farmers. They purchase agriculture inputs such as tools and equipment, fertilizers, pesticides and other chemicals, and seed. Along with their purchases, farmers frequently receive advice and information from the seller on the proper use of the inputs. Many companies also sell agriculture inputs to the government, projects, or NGOs – who then distribute for free or at subsidized rates to farmers. The focus on this assessment however is on those selling through private commercial sales networks directly to farmers.

#### 2.1.1 Farmers

Agriculture in Senegal accounts for only 7.1% of the total gross domestic product, but involves 60% of the total population or more than 700,000 households.<sup>2</sup> A majority of households are considered small-scale farmers, with seven of ten households having one to five hectares under cultivation, and 82.1% of farmers growing less than five types of crops.<sup>3</sup> Women are actively involved in agriculture, but represent just 15.3% of heads of household.

Farmers in Senegal are primarily subsistence agriculturalists. Farms are typically family owned and operated. Their production plans first take into account the family needs for home consumption, particularly for grains and legumes, and then production for sale. About 91% of crops produced in Senegal are for human consumption, with the remainder for industrial production (e.g., cotton for manufacturing, peanuts for oil, etc.).<sup>4</sup> Of those legumes and cereals sold for human consumption, 38% is millet, 24% is beans, 20% is maize, 9% is rice, and 8% is sorghum. There is a growing trend toward cultivation of cash crops.

Given the varying climatic conditions in Senegal, there is variability in terms of agricultural production as well. Figure 2 provides a map of the distribution of agricultural and livestock activities in Senegal. Notable production hubs include:

- **The Niayes:** Gardening of onions, carrots, cabbage and other vegetables dominates the area.
- **The Senegal River Valley:** Rice production is the dominant crop, with onion and other vegetables primarily harvested further upstream in the Podor area.
- **The Groundnut Basin:** The nickname for this area is derived from the prevailing peanut production. Millet, maize, and beans are also grown in this area.

---

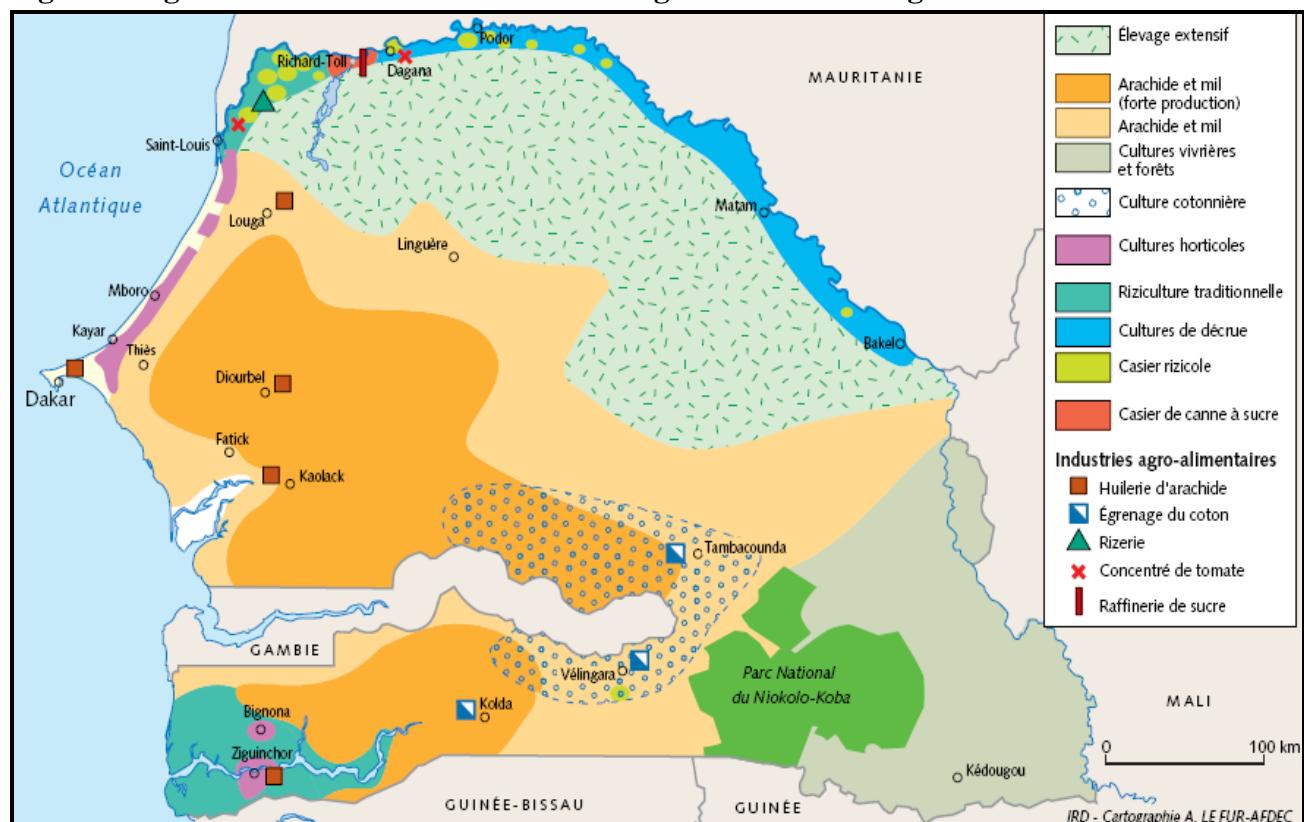
<sup>2</sup> Recensement Général de la Population, de l'habitat de l'Agriculture et de l'Elevage en 2013 p.345

<sup>3</sup> Culture faite durant la campagne 2012-2013

<sup>4</sup> Recensement Général de la Population, de l'habitat de l'Agriculture et de l'Elevage en 2013 p.345

In Senegal 87.1% of crops depend on rainfall rather than irrigation.<sup>5</sup> During the rainy season (June to November), legumes (i.e., peanuts and beans) and cereals/grains (i.e., maize, millet, sorghum, etc.) are produced. Gardening of vegetables such as cabbage, carrots, and onion occurs during the cooler, dry season (October through early May). Rice production is carried out in two seasons. Table 1 shows the monthly cropping cycle of common crops in Senegal.

**Figure 2. Agricultural land use in various ecological zones of Senegal<sup>6</sup>**



Between 2006 and 2014, the total vegetable production was estimated at 1,758,075 tons with an annual average of 195,341 tons.<sup>7</sup> The average annual grain production is higher at 301,565 tons, for a total of 16,887,614 tons between 2000 and 2013.<sup>8</sup> During the cooler, dry season, more than 53,000 households practice vegetable gardening. This is sometimes called off-season gardening. Among these households, 40.1% grow onions, followed by 35.5% growing peppers, 28.4% growing bitter eggplant, 27.2% growing cabbage and 26.3% growing eggplant.<sup>9</sup>

**Table 1. Cropping calendar for common crops in Senegal**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Vegetables</b>												
<b>Millet</b>												
<b>Maize</b>												
<b>Peanuts</b>												
<b>Rice</b>												

<sup>5</sup> Recensement Général de la Population, de l'habitat de l'Agriculture et de l'Elevage en 2013 p.354

<sup>6</sup> IRD (Institut de Recherches pour le Développement). 1988. <http://www.au-senegal.com/l-agriculture-senegalaise,359.html>

<sup>7</sup> Données consolidées de la Série départementale céréales 2000-2013 DAPSA

<sup>8</sup> Données consolidées de la Série départementale céréales 2000-2013 DAPSA

<sup>9</sup> Recensement Général de la Population, de l'habitat de l'Agriculture et de l'Elevage en 2013 p.357

It is not uncommon for farmers to partake in some form of organized group, from informal to more formal organizations, such as cooperatives, associations, or farmer groups (“groupements”). Participation in organized entities can provide avenues for leveraged selling, buying, training, credit, information exchanges, etc. Despite the potential benefits of these organizations however, many farmers find it difficult to trust in the management, leading in many cases to group volatility and lack of continuity.

## 2.1.2 Demand for Agriculture Inputs

Farmers require agricultural (agro/ag) tools, equipment, fertilizers, nutrients, pesticides, seed, as well as information and support about the appropriate manner to use the inputs. The demand for agricultural inputs is increasing, particularly as awareness of agro inputs is growing throughout the country. Affordability, quality, and proximity are key qualities farmers seek in selecting their inputs.

### **Agricultural Tools and Equipment**

Most widely used and sought after by small-scale farmers are hoes, plows, and seeders. Plows are typically animal powered with oxen, donkeys or mules. Many farming households also have wagons to aid in transportation of inputs and harvested produce. Farmers would like to upgrade their tools and equipment but most find it cost prohibitive to switch to motorized equipment.

Irrigation materials vary from watering cans and well supplies to motorized pumps and drip irrigation hoses. Irrigation kits are produced for select target markets where water is more easily accessible like in the Senegal River Valley and Niayes areas. More and more farmers are seeking these types of tools and equipment. Even where water access proves more difficult for farmers in the central and southeastern regions, the interest in tools and equipment which make water more accessible is high.

Other equipment utilized includes tillers, tractors and combines. These, however, are mostly accessible to large-scale farmers, farmer groups, or through private fee-based rental services. Often the materials have been subsidized by government or donor projects.

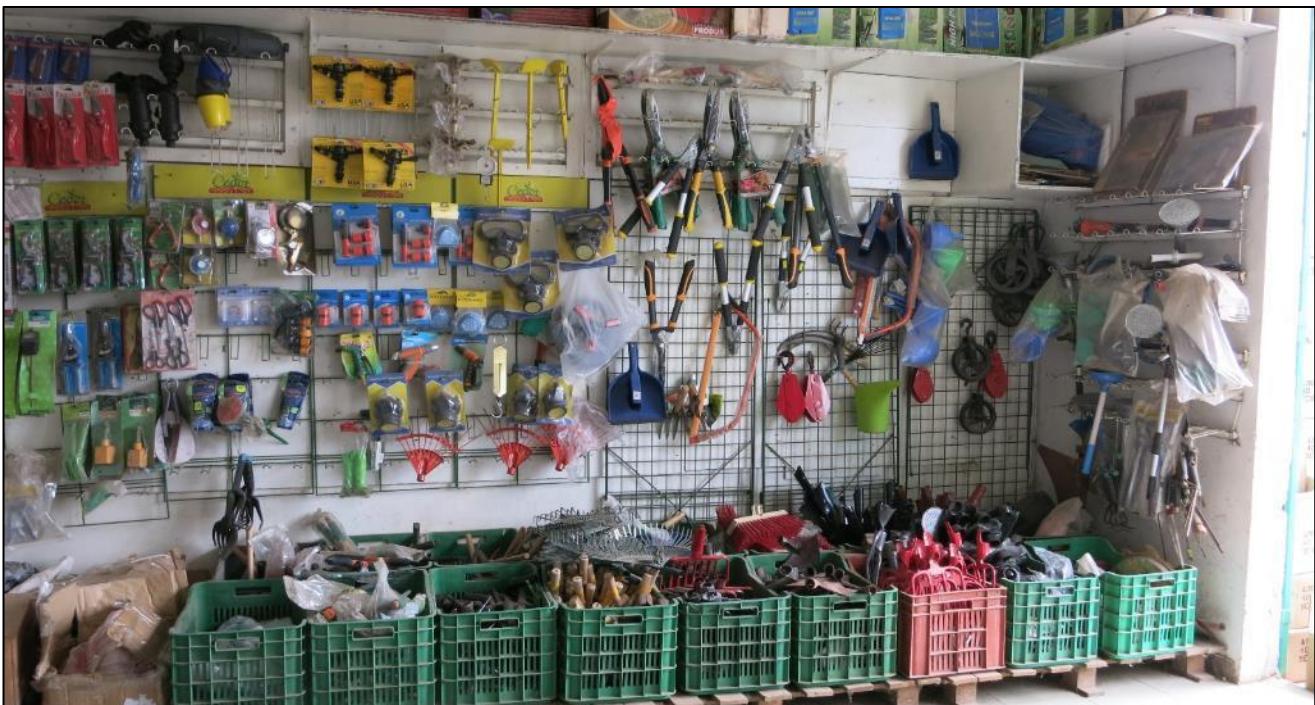
In 2013-14, the government acquired 16,800 units of hoes, plows, and seeders which it distributed/sold on a subsidized basis to farmers in the country.<sup>10</sup> Despite these subsidies, however, demand for agricultural tools and equipment from the private sector is rising.



*Photo: Drip irrigation hose for agricultural purposes*

<sup>10</sup> Direction d’Agriculture 2015 programme agricole 2013 2014 final campaign p. 9

Many ag tools and equipment are intended for extended use, with the price reflecting this long-term capital investment. Without proper maintenance and management, however, equipment fails to last as long as intended. While interested, farmers can as a result be reluctant to make the investment.



*Photo: Typical small tools for agriculture*

### **Chemicals, Fertilizers and Other Agricultural Nutrients**

Farmers are very aware of the need for fertilizer in their fields. Many farmers will spread manure, ashes and other organic materials throughout their fields leading up to the planting season. Farmers have also become accustomed to applying manufactured fertilizers to their crops. Common manufactured fertilizers consist of some combination of nitrogen (N), phosphorus (P), and potassium (K). Urea for example is a unique compound of mostly nitrogen (46%), while DPA is primarily phosphorus (N 18%, P 46%, and K 0%). Phosphate is produced in-country, but nitrogen and potassium are imported.

The majority of manufactured fertilizer is distributed to farmers via government subsidies. Distribution is based on an allocation system, where local municipalities are responsible for final distribution. Farmers must present their national identification card to receive subsidized fertilizer, and are typically limited to three bags per farmer or by acreage. In the 2013-14 season, the Government subsidized 95,000 tons of manufactured fertilizers.<sup>11</sup> This, however, does not meet the demand for quality fertilizer throughout the country.

Where available, organic fertilizer is also purchased. Organic fertilizer is primarily made from the waste of livestock, poultry and other food composts. A 50 kilogram (kg) bag of organic livestock-based fertilizer costs about 650 FCFA (*Communauté Financière Africaine* – African Financial Community/West African Franc) while poultry-based fertilizer costs 1,750 FCFA. Additionally, litter from the filaos or Casuarina trees is used by farmers in the Niayes area as organic fertilizer and is available for 2000 FCFA for a wagon full.

<sup>11</sup> Direction d'Agriculture programme agricole 2013 2014 final campaign p. 9

In addition to fertilizers, farmers, particularly vegetable farmers, may seek pesticides, insecticides, herbicides, and other chemical products used to treat and/or prevent various threats to their crops. Many small-scale farmers lack knowledge about the proper use and application of chemical products however which sometimes results in the ineffective use of these products.

Some chemical products and nutrients are produced in Senegal while others are imported. According to those interviewed, there are many agricultural chemical products being sold in the market which are counterfeit, diluted, expired, unlabeled, or noncertified. Farmers often find it difficult to differentiate between quality products and potentially dangerous ones, and many lack knowledge on the proper selection and use of chemicals and fertilizers.

### **Seed**

A significant percentage of Senegalese farmers use self-produced seed, meaning they keep part of the previous year's harvest for the next agricultural season. This is very common with grains and legumes. These farmers face difficulties in storing the seed, which reduces the quantity available the following year as well as the germination rate. Over time the productivity of these saved seeds also diminishes.



**Photo: Certification label for R1 Seed**

Many farmers receive at least some government-subsidized certified seed. The Government subsidizes seed for peanuts, sorghum, beans, maize, fonio, and rice. As with government-subsidized fertilizers, seed is distributed based on an allocation system. Farmers must present their national identification card to purchase government-subsidized seed. Subsidized seed is typically multiplied by seed production companies pre-selected and contracted by the government. Under their agreement with the government these companies are often responsible for delivering and/or selling the seed at subsidized rates to farmers.

Seed can also be purchased directly from Seed Production Companies or ISRA (*Institut Sénégalais de Recherches Agricoles* – Senegalese Institute of Agricultural Research), a government institute which multiplies from breeder seed and sells foundation seed. Table 2 notes the total nationwide seed production for certified seed in 2013 as well as the 2014 projected seed demand. Demand for hybrid seed (though not singled out in the table) is less given the low production and importation of hybrid varieties. While hybrid seed is more expensive, yields are higher given the increased resistance to attacks and enhanced productivity in challenging climatic conditions.

Farmers often look to purchase seed for grain, legume and vegetable production. Popular vegetable seeds include onion, cabbage, carrot, tomato, eggplant, and lettuce. Vegetable seed is typically imported. Some hybrids are included among the imports. Farmers often cultivate smaller quantities of vegetables and thus seek smaller package sizes or quantities, or work together to purchase larger quantities which they divide among a group. As vegetable cultivation is relatively new outside of the Niayes and Podor areas, these farmers also seek information about proper cultivation techniques of vegetables.

**Table 2. Seed production in 2013 and projected seed needs for 2014<sup>12</sup>**

Species ( <i>Espèces</i> )	Production of seed in 2013 (tons) ( <i>PRODUCTIONS DE 2013</i> )					Projections for seed in 2014 (tons) ( <i>OBJECTIFS POUR 2014</i> )			
	PB*	B*	R1*	R2*	R3*	PB*	B*	R1*	R2*
Peanut ( <i>Arachide</i> )	65	83.47	1 892.59	5 390.807	35 212.08	80	600	668	15 140
Maize ( <i>Maïs</i> )	13.18	214.76	8 676.90	1 003.63	-	10	1 000	2 000	
Sorghum ( <i>Sorgho</i> )	5.10	212.41	784.68	60.68	-	5	800	2 000	
Millet ( <i>Mil</i> )	9.50	700.57	4 240.40	334.00	-	8	1 000	2 000	
Rice ( <i>Riz</i> )	16.24	59.90	1 076.67	993.25	-	26	520	1 900	30 000
Beans ( <i>Niébé</i> )	6.25	79.22	336.01	137.85	-	5	240	3 000	12 000
Sesame ( <i>Sésame</i> )	1.24	8.03	204.56	250.00	-	1	120	800	2 000

\* PB = Pre-Foundation (Pré base); B = Foundation (base); R1 = reproduction 1, R2 = reproduction 2; R3 = reproduction 3

## 2.2 Market Actors

Given the diversity of agriculture inputs sought by farmers, a wide variety of market actors are engaged in the agriculture inputs market. Presented in English and French in Table 3 below are a list of the major market actors engaged in the agriculture inputs support market.

**Table 3. List of private sector market actors in the agriculture input supply sector**

English	French
<b>Tools &amp; Equipment</b>	<b>Equipements</b>
Agricultural Tools & Equipment Importers	<i>Importateurs des Equipements (assemblages inclus)</i>
Agriculture Equipment Manufacturers	<i>Producteurs des Equipements Agricoles</i>
Tool Makers / Metal Workers	<i>Artisans Locaux</i>
<b>Chemicals, Fertilizers &amp; Nutrients</b>	<b>Produits Chimiques et Fertilisants</b>
Chemical and Fertilizer Import and Production Companies	<i>Importateurs &amp; Producteurs des Produits Chimique et Fertilisants</i>
Organic Fertilizer Vendors	<i>Vendeurs d'Engrais Organiques</i>
<b>Seed</b>	<b>Semence</b>
Seed Importers	<i>Importateurs de Semence</i>
Seed Production Companies	<i>Sociétés de production de semences</i>
Seed Outgrowers	<i>Producteurs de Semences Contractuels</i>
<b>Additional Wholesale &amp; Retail</b>	<b>Vente en Gros et au Détail</b>
Wholesale/Retail Distributors of Agricultural Inputs	<i>Vendeurs en Gros et au Détail (Grossistes/Détaillantes)</i>
Small-scale Retailers	<i>Petits Détaillants</i>
Mobile Vendors	<i>Vendeurs Ambulants</i>

Other active market influencers include:

- Government Agencies and Institutions, including:
  - Ministry of Agriculture and Rural Equipment
  - *Direction d'Agriculture* (Directorate of Agriculture)

<sup>12</sup> Direction d'Agriculture programme agricole 2013 2014 final campaign p. 28

- *Division des Semences* (Seed Division)
- *Institut Sénégalais de Recherches Agricoles* (ISRA)
- *Directions Régionales du Développement Rural* (DRDR), etc.
- Non-governmental Organizations (NGOs)
- Inter-professional Associations

The map which follows (Figure 3) provides a visual representation of the market actors, their functions and the relationships between them in the agriculture inputs support market. Most market actors are private sector enterprises. Included are mention of informal importers, particularly involved in agricultural chemicals and nutrients, and ISRA – a government institution whose main function is the development and implementation of programs and research in the sectors of horticulture, forestry, livestock, fisheries and rural economies. The subsections that follow provide a summary of each type of market actor along with the trends, opportunities and challenges faced in this growing support market.

### **2.2.1 Agricultural Tools and Equipment Providers**

Agricultural tools and equipment are produced locally as well as imported. Production of smaller tools and equipment such as hoes and watering cans are typically produced by local tool makers. Larger companies—*Agriculture Equipment Manufacturers*, produce or assemble plows, seeders, wagons/carts and more. A few import companies—*Agricultural Tools & Equipment Importers* bring in irrigation equipment (i.e., motor pumps, drip hoses, etc.) and large machinery such as tractors and combines. All these businesses sell directly to farmers as well as through intermediaries (and many of the larger ones also sell to government and donor programs). They are described further below.

#### **Agricultural Tools & Equipment Importers**

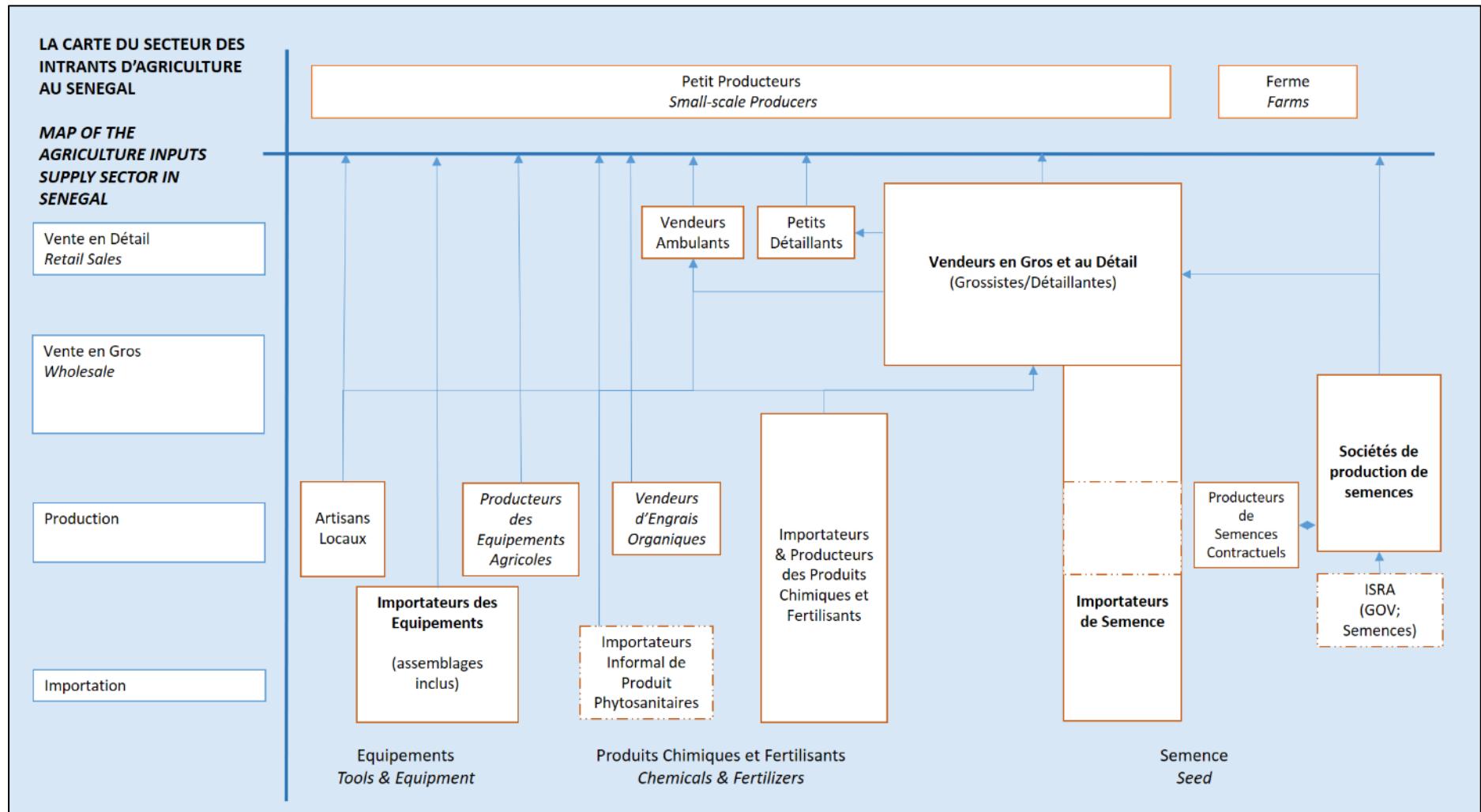
Ag Tool and Equipment Importers primarily specialize in the importation of tractors, other heavy machinery, irrigation equipment, and more. These products are typically of good quality and purchased from Europe as well as China and India. Some Importers have exclusive agreements to import leading brands (e.g., Massey Ferguson).



*Photo: Sample agriculture equipment*

Most Importers sell directly to producers while also distributing through their own shops or branches. But the high costs of quality equipment render these products inaccessible to most small-scale farmers. Government and donor projects often purchase these tools and equipment directly and then distribute to farmers for free or at subsidized rates. In doing so, they inadvertently distort the market for these inputs. As a result, most Importers tend to focus on Government and donor programs as their primary client. Wholesale/Retail Distributors of Agricultural Inputs will also carry modest sized tools and equipment bought directly from Ag Tool and Equipment Importers.

**Figure 3. Map of the agricultural inputs support market**

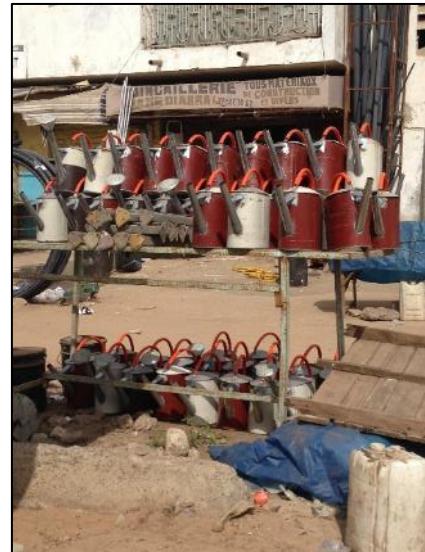


## **Agriculture Equipment Manufacturers**

These market actors produce a diversity of products for agricultural use. Included are plows, seeders, and wagons/carts of many different variations. Like importers, many of their principle clients are government and donor projects who then distribute to farmers for free or at a subsidized rate. Most production is based on advanced orders, with only a few commonly sourced items prepared in advance of the prime cultivating season (rainy season). Farmers can order directly from manufacturers. Some Wholesale/Retail Distributors of Agricultural Inputs will also order and sell modest sized tools and equipment produced by Ag Equipment Manufacturers. Appendix 2 provides a partial list of several Agricultural Tools & Equipment Importers and Manufacturers in Senegal.

## **Tool Makers / Metal Workers**

Metal workers are the traditional agricultural tool makers in Senegal. They are commonly found in towns and many villages and make tools such as hoes, watering cans, rakes, and well pulleys. Some sophisticated metal workers can make metal plows and seeders. The tools they produce and sell contribute greatly to local agricultural production. Metal workers sell directly to farmers from their workshops or at the local weekly marketplaces (« *loumas* »/marché hebdomadaire). Their advantage is their close proximity to farmers, while their main challenge is improving the quality of their products to better meet the needs of farmers.



**Photo: Locally made metal watering cans**

## **2.2.2 Agriculture Chemical and Nutrient Companies**

Chemical and nutrient input suppliers range from sophisticated vendors of manufactured products to casual vendors of natural fertilizers. Manufactured and sold are pesticides, insecticides, fungicides, herbicides, micro-nutrients, fertilizers, and also bio-fertilizers.

### **Chemical and Fertilizer Import and Production Companies**

Agro chemicals are primarily imported from Europe. Chemical and Fertilizer Import and Production Companies import from large international suppliers and then sell throughout the country. The Government controls the importation of agro chemicals. Importers must obtain a license prior to importation, which is issued by the Ministry of the Environment in consultation with the National Chemical Management Committee (CNGPC – *La Commission Nationale de Gestion des Produits Chimiques*). Also required is a certificate of approval to stock and use potentially hazardous agricultural chemicals.

For locally produced products, Production Companies have at least one factory operation but are often operating below capacity. Typically, their production is based on large client orders, and they lack the financial capacity to produce much beyond confirmed orders.

According to those interviewed, the large-scale buyers of agro chemicals and fertilizers are government driven subsidy programs. There is also a growing international demand in the region for certain products produced in Senegal that can be met by some of the Chemical and Fertilizer Import and Production Companies. For instance, one company reported that its exports are increasing to Mali and Burkina Faso.

Most Chemical and Fertilizer Import and Production Companies also have commercial sales networks and sell through independent commercial intermediaries (primarily Wholesale/Retail Distributors of Agricultural Inputs) while a few others have established their own branch stores. Appendix 3 provides a list of several private sector Chemical and Fertilizer Import and Production Companies selling their products throughout the country.



**Photos:** Potting soil available in Senegal

### **Organic Fertilizer Vendors**

Organic fertilizer is sold by livestock and poultry producers who collect their animals' droppings and sell to farmers. Additionally, there are firms who produce and sell compost directly to farmers. Intermediaries (small-scale retailers & mobile vendors often with horse-drawn carts) sometimes purchase from livestock or poultry farmers. In the case of litter from trees like the filao in the Niayes region, they can collect it themselves, and then resell to farmers.

### **Informal Importers of Agro Chemicals and Nutrients**

Major competitors to authorized Chemical and Fertilizer Import and Production Companies are informal entrepreneurs selling agro chemicals and nutrients. They often import products without the required approvals, bring them across international borders, and sell on the open markets. Unfortunately, many of these products are counterfeit, diluted, expired, unlabeled, or noncertified. They are often available to farmers – who face difficulties in differentiating these products from quality products of reputable and certified providers.

### **2.2.3 Seed Import/ Production Companies**

The most common source of seed, particularly for grains and legumes, is farmers themselves. Most Senegalese farmers keep part of the previous year's harvest for the next agricultural season. Apart from the farmers' self-production of seed, there are seed multiplication and import companies. Government and NGO programs continue to be a major client for many seed multiplication and import companies, but increasing demand directly from farmers themselves, particularly as subsidies decline and as farmers see the benefits of certified seed.

#### **Seed Importers**

While some cereal and legume seed is imported, the most commonly imported seed is vegetable seed. Most Seed Importers purchase these seeds from France, Spain and other countries. Importers commonly sign exclusive agreements with international seed suppliers. Importers either resell under the international supplier's brand or rebrand under their own name. The two most common brands found in the Senegalese marketplace are *TechniSem* (imported by *TropicaSem*) and *Clause* (imported by *Traore et Fils*). Government authorities control the importation of seed, requiring import authorization through the Directorate of Plant Protection (DVP — *Direction de la Protection des Végétaux*).

Seed is sold in various sizes to meet customer needs. Vegetable seed is commonly repackaged and sold in smaller quantities, given the small-scale operations of most Senegalese farmers. Several of the formal seed companies resize seed into mini-packets themselves, with varying degrees of packaging sophistication. Some are better labeled than others. Seed is sold either through their multiple storefronts or via intermediaries such as Wholesale/Retail Distributors of Agricultural Inputs, Small-scale Retailers, and/or Mobile Vendors. It is common for intermediaries to also resize seed into smaller baggies, often without proper labeling or quality control. This is due to the requests of small-scale farmers as well as the greater profit margins of casually repackaged seed versus formally packaged mini-packets.



*Photo: Imported vegetable seed repackaged for sale*

Seed Importers provide technical advice to farmers and intermediaries upon request. Occasionally Importers make field visits to their customers (retailers, wholesalers, and/or farmers). Germination tests are also conducted prior to importation/ commercial sales of large quantities, and field demonstrations are held for farmers to highlight the abilities and qualities of any new seed.



*Photo: Imported vegetable seeds, available in Senegal*

### **Seed Production Companies**

While vegetable seed is primarily imported, seed for grains and legumes are primarily produced in country. Seed multiplication is managed by dozens of commercial seed production companies managing their own operations or contracting with seed outgrowers. Seed Production Companies

include private enterprises, GIEs (*Groupements d'Intérêt Economique*/ Economic Interest Groups), and farmer organizations.



**Photo: Interview with seed multiplication entrepreneur, wholesaler and retailer**

Seed multiplication companies often acquire foundation seed from ISRA for grains (e.g., millet, maize, rice, etc.) and legumes (e.g., peanuts, beans). They then contract with seed outgrowers to multiply the foundation seed, providing them with the necessary inputs. Seed Production Companies produce and sell seed at different quality and price points, with R1 being more expensive than R2. For example, with maize, one kilogram (kg) of breeder seed costs 1000 FCFA, one kg of foundation seed costs 700 FCFA, and one kg of R1 costs 500 FCFA.

Seed certification is the responsibility of the Government Seed Division (DISEM — *Division des Semences*). DISEM conducts

field visits and laboratory tests to evaluate the seed purity prior to issuing a certificate. Seed can then be packaged and appropriately labeled as certified. Demand for quality, certified seed is increasing. At the same time, seed multiplication is often limited by lack of land and the technical expertise to grow quality seed.

### **Seed Outgrowers**

Seed outgrowers are farmers that are contracted by Seed Production Companies to produce seed. The Companies typically give all necessary inputs to their outgrowers under the agreement that the outgrowers will sell the seed harvests to them. Several Seed Production Companies use an “Intermediary Model” of contract farming where “Lead Farmers” manage groups of seed outgrowers on behalf of the Company. Technical support is provided to Outgrowers by the Seed Production Companies – although many lack staff with the technical knowledge and extension skills needed to properly advise the outgrowers. There are also some seed outgrowers that will produce and sell under contract with government or donor programs.

### **2.2.4 Wholesale/Retail Distributors of Agricultural Inputs**

Importers and production companies of agriculture equipment, seed and chemicals/fertilizers sell products both on a wholesale and retail level. Several Seed Importers have multiple store locations to extend their commercial sales networks. These branches as well as independent wholesale and retail enterprises are referred to as Wholesale/Retail Distributors of Agricultural Inputs. Often they sell multiple types of inputs in one store – equipment, chemicals/fertilizers, and seed. They even put together “kits” or packages which combine multiple products needed to farm a particular acreage which they resell to their customers.

There are many Wholesale/Retail Distributors of Agricultural Inputs throughout the country. They are primarily located in urban and semi-urban areas. Their customers include other Wholesale/Retail Distributors, Small-scale Retailers, and farmers directly. Staff provide advice (to the best of their ability) to those who come into their shops and occasionally organize demonstrations and field day events to promote their products and ensure that customers are using them correctly.

Wholesale/Retail Distributors with good reputations and financial footings often receive products on credit from the Importers and Production companies. Most however need to pay upfront in cash for products. Most work within their own financial means rather than taking out loans with financial institutions.

Some Wholesale/Retail Distributors of Agricultural Inputs also serve as intermediaries for the distribution of government subsidized inputs. They receive orders from the Government and sell or deliver inputs at a pre-determined price to designated communities. Several Wholesale/Retail Distributors of Agricultural Inputs are interested in expanding their commercial sales networks and shifting their sales from government and donor projects to direct commercial sales to farmers. Others are content with sales to government and donor projects.

## 2.2.5 Small-scale Retailers & Mobile Vendors

Particularly in rural areas of the country, small retailers and mobile vendors are the primary point of sale for agricultural inputs to farmers. As such, they are responsible for both the sale of inputs as well as technical support to farmers. Small-scale Retailers are vendors of agricultural inputs with fixed store locations, often small stalls in the permanent market, whereas Mobile Vendors sell on-the-go or establish temporary points of sale at weekly markets (*« loumas »/ marché hebdomadaire*).

They sell a variety of products. Often these market actors sell small farm equipment and tools such as watering cans, shovels, rakes, and hoes. Seed is often sold in repackaged, unlabeled baggies to increase profits and meet the needs of farmers. Additionally, these vendors sell fertilizers, pesticides, insecticides, and other agro chemical products. Storage of seeds and chemicals/fertilizers is often poor, potentially hazardous, and contributes to the degradation of the agro inputs. Mobile vendors in particular find it challenging to preserve their products, which are typically overexposed in the sun at the weekly markets. In addition to selling products, these market actors provide advice to farmers on the use of the products, to the best of their ability. While they may have been in the business for many years, they often lack information and expertise on particular products, making it difficult to pass on advice to farmers on the proper use of those products.

These market actors purchase from Wholesale/Retail Distributors of Agricultural Inputs, from Import and Production Companies themselves, or from other retailers/mobile vendors. They usually store and sell small quantities, limited by their financial means as well as storage capacities. Their transactions, buying and selling, are nearly 100% on cash payments, as they do not have the means (or do not find it feasible) to offer inputs on credit to farmers.



*Photo: Typical agricultural input product selection at weekly markets*

## 2.2.6 Government Entities

The overarching government entity responsible for nationwide agriculture policy is the Ministry of Agriculture and Rural Equipment. The legal framework within which the Ministry operates is the LOASP (*La Loi d'Orientation AgroSylvo Pastorale* – Agro-Sylvo-Pastoral Act), adopted in 2004. This law sets out the legal framework and general orientation for policies related to livestock, agriculture and rural development. It institutionalized a more participative/consultative process of developing public programs and policies than previously existed. Appendix 4 provides a non-exhaustive list of government agencies within the Ministry of Agriculture.

Within the Ministry of Agriculture and Rural Equipment is the Directorate of Agriculture (*Direction d'Agriculture*), which records and establishes government goals from year to year. This division is also responsible for managing agricultural input subsidies, including establishing procedures, quotas, and policies to facilitate implementation.

Other government entities engaged in the agricultural inputs support market are:

- Directorate of Horticulture (*Direction de l' Horticulture*) – which oversees vegetables and fruit cultivation
- National Chemical Management Committee (CNGPC – *La Commission Nationale de Gestion des Produits Chimiques*) – tasked with controlling and monitoring the import, use, production and movement of chemicals and harmful substances
- Regional Directorates of Rural Development (DRDR – *Directions Régionales du Développement Rural*) – responsible for the implementation of agricultural policies and the vision of the Directorate of Agriculture, providing technical support and assistance to farmers
- Seed Division (DISEM – *Division des Semences*) – tasked with monitoring, evaluating and certifying seed production
- Directorate of Agricultural Statistical Analysis and Projections (DAPSA – *Direction de l'Analyse, de la Prévision et des Statistiques Agricoles*) – responsible for statistics and quantitative research in the agricultural sector
- Directorate of Plant Protection (DVP — *Direction de la Protection des Végétaux*) – control importation of seed and issuing import authorization

Also of notable mention is **ISRA - Institut Sénégalais de Recherches Agricoles** (Senegalese Institute of Agricultural Research). ISRA is an autonomous government institution whose main function is the development and implementation of programs and research in the sectors of horticulture, forestry, livestock, fisheries and rural economies. Its role in the agriculture support market is primarily related to seed multiplication and sales of foundation seed. ISRA primarily produces seed (foundation seed) for grains (e.g., millet, maize, rice, etc.) and legumes (e.g., peanuts, beans, etc.). For peanuts, ISRA seed is rated at levels Foundation, R1, R2, and R3, and for other crops there is only Foundation and R1. One kilogram of foundation seed for peanuts is sold by ISRA for 1000 FCFA (roughly \$1.75 USD). Seed is sold to Seed Production Companies and farmers directly.

## 2.2.7 Non-governmental Organizations

Senegal has more than 200 registered NGOs. Supporting the agriculture sector, there are national NGOs as well as international NGOs with branches in Senegal. Depending on their missions, processes, and funding, there are generally two types of NGOs: 1) those which operate directly in supply chains, buying from and/or selling (or donating) to farmers; and 2) those which facilitate support of the sector without intervening directly in the market.

Many farmers have been exposed to the former, profiting from subsidized or free inputs, financing, coaching in organizational management, and technical training and capacity building. Particularly as government programs have fluctuated, NGOs have sought to directly fill the gaps, in turn creating more dependency by farmers on the NGO community. Many of these organizations insist on working with farmers organized into farmer groups, to help facilitate distribution of trainings, loans, donations, etc. The NGOs then also provide support in group and organizational management. Some donor funded projects also provide funding to government entities to implement projects, much like those of NGOs.

Other NGOs, like Action for Enterprise, help facilitate market development without intervening directly in the value chains. These NGOs are less common, but are in need to support private sector growth and sustainability.

## 2.2.8 Inter-professional Associations

Inter-professional associations in the agriculture sector are defined by the LOASP (Agro-Sylvo-Pastoral Act of 2004), article 25, as a “group of representative professional organizations from the agricultural production, transformation and commercialization sectors”.<sup>13</sup> This definition implies private sector actors but does not explicitly exclude the public sector either. The LOASP defines three types of inter-professional associations:

- Inter-professional associations that are strictly private,
- Inter-professional committees with participation of government actors, and
- Consultative frameworks (formal or informal) involving both private sector and government representatives.

The LOASP also outlines their importance for market regulation, specifically: managing offer, managing markets, leading the sector and preventing crises.<sup>14</sup>

In Senegal, the first Agricultural Inter-professional Associations appeared around 1990. They work mostly in cereal/grain and vegetable production, among others. Some of the most representative are listed here:

- National Inter-professional Committee of Peanuts (Cニア – *Le Comité National Interprofessionnel de l'Arachide*)
- Senegalese Inter-professional Association of Cotton (ASIC – *L'Association Sénégalaise Interprofessionnelle du Coton*)
- Inter-professional Committee of the Rice Sector (CIRIZ – *Le Comité Interprofessionnel sur la filière Riz*)
- Inter-professional Committee of the Local Cereals (CICL – *Le Comité Interprofessionnel sur les Céréales Locales*)
- National Collaboration Committee of the Industrial Tomato Sector (CNCFTI – *Le Comité National de Concertation de la Filière Tomate Industrielle*)
- Collaboration Framework for the Onion Sector (*Le Cadre de Concertation pour la Filière Oignon*)

Specific to the agriculture inputs support market, there is a seed association called **UNIS (Union Nationale Interprofessionnelle des Semences du Sénégal – National Inter-professional Union for Seeds in Senegal)**. Its mission is to encourage growth of the local seed production sector with the

---

<sup>13</sup> [http://www.bameinfopol.info/IMG/pdf/Etude\\_BAME\\_Interprofessions\\_VF-3.pdf](http://www.bameinfopol.info/IMG/pdf/Etude_BAME_Interprofessions_VF-3.pdf)

<sup>14</sup> [http://www.bameinfopol.info/IMG/pdf/Etude\\_BAME\\_Interprofessions\\_VF-3.pdf](http://www.bameinfopol.info/IMG/pdf/Etude_BAME_Interprofessions_VF-3.pdf)

goal of Senegal becoming a major seed producing and exporting country in the region. It represents the interests of its members to the government and regionally. In the 2000s another inter-professional association existed called the *Union Nationale des Opérateurs Semenciers* (U.Na.Op.Se), but in 2015, they decided to join forces and have a unified representative body.<sup>15</sup>

### **III. Market-based Solutions (MBSs) and Illustrative Initiatives**

The goal of this assessment was to assess the inputs support market in the agriculture sector and to, more specifically, assess the **market-based solution (MBS)** of “*Access to quality and affordable inputs for farmers.*” This MBS was targeted to respond to one of the principle constraints facing small-scale farmers in Senegal, “*lack of access to quality and affordable agricultural inputs.*”

This section of the report reviews additional findings including:

- more specific “sub-constraints” (related to inputs) facing small-scale farmers
- more specific MBS that can respond to these constraints
- the challenges agribusiness input supply businesses (Lead Firms) face in providing the MBS
- illustrative initiatives (identified by market actors themselves) that Lead Firms can undertake to improve or expand the commercial products, services and support (MBS) they provide to small-scale farmers.

#### **3.3.1 Sub-Constraints & Corresponding Market-Based Solutions (MBSs)**

During the assessment a number of sub-constraints contributing to farmers’ ability to access quality and affordable agricultural inputs were identified. These follow in Table 4 below, along with their corresponding MBSs, in English and French.

---

<sup>15</sup> Agence de Presse Sénégalaise, “Les producteurs semenciers scellent une nouvelle union nationale”, 17 September 2015, <<http://aps.sn/actualites/economie/agriculture/article/les-producteurs-semenciers-scellent-une-nouvelle-union-nationale>>.

**Table 4. Sub-constraints of small-scale farmers in the agriculture inputs support market and corresponding market-based solutions**

Constraints for Small-scale Producers	(Potential) Market-Based Solutions	Contraints de Petits Producteurs	Solutions Commercialement Viables et Potentielles
<ul style="list-style-type: none"> <li>Many small-scale farmers lack the financial means to purchase quality agricultural inputs (particularly seed and equipment). Rather than purchasing certified seed, they often opt for non-certified seed which underperforms. Rather than purchasing agricultural equipment such as irrigation materials, tillers, and chemical sprayers, small-scale farmers use hard labor which in the end limits their production capacities.</li> </ul>	<ul style="list-style-type: none"> <li>Access to financing for small-scale farmers to procure inputs such as seed and equipment for agricultural purposes</li> <li>Access to agricultural inputs (particularly seed and equipment) at affordable prices for small-scale farmers</li> </ul>	<ul style="list-style-type: none"> <li><i>Beaucoup de petits producteurs manquent de moyens financiers pour acheter des intrants (semences et équipements). Ils ne peuvent se procurer des semences certifiées et achètent alors des semences écrémées qui ne donnent pas les rendements escomptés. Le défaut d'équipements (irrigation, motoculteur, pulvérisateurs) limite leur capacité de production.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Accès au financement pour les petits producteurs pour se procurer des intrants surtout les semences et les équipements</i></li> <li><i>Accès aux intrants à des prix abordables pour les petits producteurs</i></li> </ul>
<ul style="list-style-type: none"> <li>Many small-scale farmers wait for government-subsidized seed to be distributed before purchasing any additional or better seed. As subsidized seed may arrive late or in a deteriorated condition, the small-scale farmers scramble to find and use whatever seed is on hand, which does not often produce quality yields.</li> </ul>	<ul style="list-style-type: none"> <li>Sale of quality and affordable seed in a timely manner to small-scale farmers</li> <li>Provision of information regarding the importance of certified seed for small-scale farmers</li> </ul>	<ul style="list-style-type: none"> <li><i>Beaucoup de producteurs attendent les semences subventionnées de l'Etat qui viennent souvent tardivement et sont souvent de faible qualité. Donc ils utilisent finalement des semences tout venant qui ne donnent pas des rendements attendus.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Ventes de semences de qualité et disponibles à temps aux petits producteurs</i></li> <li><i>Provision d'informations sur l'importance des semences certifiées pour les petits producteurs.</i></li> </ul>
<ul style="list-style-type: none"> <li>Many grain farmers have difficulties accessing fertilizer, particularly quality fertilizer. Without application of fertilizers, crop production is longer and yields are meager. In rural areas, the majority of small-scale producers wait for government-subsidized fertilizer which often arrives late and in a deteriorated condition. Farmers are then obliged to purchase any fertilizers on hand (and at an often elevated price due to the urgent demand as the cultivation season begins).</li> </ul>	<ul style="list-style-type: none"> <li>Sale of quality fertilizers which are readily available to small-scale farmers, particularly grain farmers</li> </ul>	<ul style="list-style-type: none"> <li><i>Beaucoup de producteurs de céréales ont un problème d'accès d'engrais (de qualité) ce qui baisse le rendement, allonge le cycle culturel etc. Dans les zones rurales, la plupart des petits producteurs attendent les subventions d'engrais de l'Etat qui arrivent tardivement et en faible quantité. Ils sont donc obligés de se réapprovisionner chez les rares fournisseurs de la zone qui auront tendance à spéculer vu l'urgence de la campagne agricole.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Ventes d'engrais de qualité et disponibles à temps aux petits producteurs de céréales surtout.</i></li> </ul>

<b>Constraints for Small-scale Producers</b>	<b>(Potential) Market-Based Solutions</b>	<b>Contraints de Petits Producteurs</b>	<b>Solutions Commercialement Viables et Potentielles</b>
<ul style="list-style-type: none"> <li>Rural farmers have difficulty purchasing inputs given the distances to urban centers where input providers are generally located. This extra distance adds to the costs of production for small-scale farmers.</li> </ul>	<ul style="list-style-type: none"> <li>Access to commercial sales points of agricultural inputs which are closer and thus more easily available for rural farmers</li> </ul>	<ul style="list-style-type: none"> <li><i>Les producteurs ruraux achètent difficilement aux intrants car les fournisseurs sont concentrés dans les centres urbains généralement ce qui augmente le coût de production.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Accès à des points de ventes d'intrants à proximité des petits producteurs ruraux.</i></li> </ul>
<ul style="list-style-type: none"> <li>Many farmers find it challenging to keep livestock from entering their fields and destroying their crops, which also creates conflicts with neighboring livestock producers.</li> </ul>	<ul style="list-style-type: none"> <li>Sale of materials for small-scale farmers to protect their fields from livestock intrusions</li> </ul>	<ul style="list-style-type: none"> <li><i>Beaucoup de producteurs protègent difficilement leurs champs de la divagation des animaux après l'hivernage ce qui augmentent les pertes de production et les conflits entre agriculteurs et éleveurs.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Vente de matériels de protection des parcelles de la divagation des animaux pour les producteurs.</i></li> </ul>
<ul style="list-style-type: none"> <li>The majority of farmers in rural areas, particularly the central part of the country, lack access to sufficient water. Their farming is thus limited to a single season – the rainy season. Within this season, they are at the mercy of the climatic flux, where excess or insufficient rain can bring added challenges to crop management.</li> </ul>	<ul style="list-style-type: none"> <li>Sale of equipment and/or materials to facilitate access to water for small-scale farmers in rural areas</li> </ul>	<ul style="list-style-type: none"> <li><i>La majorité des agriculteurs en zone rurale, au centre surtout, ont un accès limité à l'eau. Ils ne cultivent donc que durant l'hivernage ce qui ralentit leur activité agricole. De plus ils sont soumis durant cette période aux aléas climatiques (pluviométrie, etc.).</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Ventes des équipements ou matériels pour faciliter l'accès à l'eau des petits producteurs des zones rurales.</i></li> </ul>
<ul style="list-style-type: none"> <li>A large number of farmers are challenged by the infertility of their soils due to repetitive cultivation of the same fields, monoculture cultivation, and for some a lack of financial means and knowhow to improve soils.</li> </ul>	<ul style="list-style-type: none"> <li>Training in soil preservation and restoration for small-scale farmers</li> <li>Sale of quality fertilizers to small-scale farmers</li> </ul>	<ul style="list-style-type: none"> <li><i>Une bonne partie des producteurs ont parfois de faible rendement car la fertilité des sols a baissé à cause de la monoculture pour la plupart et du manque de moyen financier pour amender le sol pour les quelques autres.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Formation sur les techniques de préservation et de restauration des sols pour les petits producteurs.</i></li> <li><i>Ventes d'engrais de qualité aux petits producteurs</i></li> </ul>

<b>Constraints for Small-scale Producers</b>	<b>(Potential) Market-Based Solutions</b>	<b>Contraints de Petits Producteurs</b>	<b>Solutions Commercialement Viables et Potentielles</b>
<ul style="list-style-type: none"> <li>Many farmers are not familiar with best practices for seed storage, which decreases the germination potential of their seed.</li> </ul>	<ul style="list-style-type: none"> <li>Access to commercial seed storage products and training in seed storage techniques for small-scale farmers</li> <li>(See also access to quality seed for small-scale farmers)</li> </ul>	<ul style="list-style-type: none"> <li><i>Beaucoup de producteurs ne connaissent pas les techniques de conservation de leurs semences ce qui diminue le pouvoir germinatif de la semence.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Access à des produits commerciaux de conservation des semences et la formation sur les techniques de conservation des semences pour les petits producteurs.</i></li> </ul>
<ul style="list-style-type: none"> <li>Many small-scale farmers in rural areas of the country are not well informed about crop insurance opportunities and thus do not purchase any. At the same time, insurance plans do not always meet the needs and realities of small-scale farmers. Where crop insurance does exist, the processing of claims is slow and untimely for farmers. As a result, farmers are often without insurance and take on the added risks of crop loss.</li> </ul>	<ul style="list-style-type: none"> <li>Provision of information about crop insurance for small-scale farmers</li> <li>Access to crop insurance plans which are adapted to the needs of small-scale farmers, particularly in rural areas</li> </ul>	<ul style="list-style-type: none"> <li><i>La plupart des petits producteurs en zone rurale ne souscrivent pas à l'assurance agricole et sont peu informés sur le sujet. De plus, l'offre des assurances ne prend pas toujours en compte les réalités des petits producteurs et les procédures de recouvrement sont souvent lentes et n'aboutissent pas. Ils ne sont donc pas protégés en cas de périls et de pertes de la récolte.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Provision d'informations sur l'assurance agricole aux petits producteurs.</i></li> <li><i>Accès à une assurance agricole adaptée aux petits producteurs des zones rurales.</i></li> </ul>
<ul style="list-style-type: none"> <li>Many farmers are not familiar with the necessary skills for effectively managing new agricultural tools and equipment. This includes amortization, budgeting for daily and periodic maintenance/repairs, etc. As a result, farmers often abandon agricultural equipment and materials at the first sign of difficulty, which could have been avoided with proper maintenance. This mismanagement of materials can lead to delays in production, loss of crop, reduction in yield, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Training in agricultural equipment and materials management (including budgeting, amortization, maintenance/repair scheduling, etc.) for small-scale farmers</li> </ul>	<ul style="list-style-type: none"> <li><i>Beaucoup de producteurs n'ont pas de connaissances en gestion du matériel (amortissements, prévisions, budget de fonctionnement), entretien du matériel agricole. Ce qui cause l'abandon des machines dès les premières pannes qui auraient d'ailleurs souvent pu être évitées et entraîne donc le ralentissement des activités, et la perte de la production.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Formation en gestion du matériel agricole pour les petits producteurs.</i></li> </ul>

<b>Constraints for Small-scale Producers</b>	<b>(Potential) Market-Based Solutions</b>	<b>Contraints de Petits Producteurs</b>	<b>Solutions Commercialement Viables et Potentielles</b>
<ul style="list-style-type: none"> <li>Most farmers, particularly those engaged in vegetable cultivation, lack knowledge about many chemical products such as pesticides, herbicides, insecticides, fertilizers, etc. This results in ineffective use of the products, loss of production and safety issues.</li> </ul>	<ul style="list-style-type: none"> <li>Training for small-scale farmers (particularly those engaged in vegetable cultivation) in techniques for proper application of agricultural chemicals and nutrients (i.e., pesticides, herbicides, insecticides, fertilizers, etc.), which respect the cropping cycles</li> </ul>	<ul style="list-style-type: none"> <li><i>Une bonne partie des producteurs surtout les producteurs maraîchers manquent de connaissances sur l'utilisation de produits phytosanitaires. Les résultats sont l'inefficacité du produit, perte de production, et risques pour les producteurs et les consommateurs.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Formation pour les petits producteurs sur les techniques de traitement phytosanitaires et le respect de calendrier culturelle</i></li> </ul>
<ul style="list-style-type: none"> <li>There are many agricultural chemical/nutrient products which are counterfeit, diluted, expired, unlabeled, or noncertified. These products are often sold at a price inferior to quality chemical and nutrient products. Many small-scale farmers lack information and the ability to differentiate between these lower cost/inferior products and the better quality/more efficient products.</li> </ul>	<ul style="list-style-type: none"> <li>Provision of information for small-scale farmers regarding the risks of sub-standard agricultural chemicals and nutrients, the importance of quality products, and information to aide in the distinction between quality and non-quality agro chemical products</li> </ul>	<ul style="list-style-type: none"> <li><i>Les produits phytosanitaires non homologués et de contrefaçon côtoient les produits homologués sur le marché et sont disponibles à moindre prix. Beaucoup de petits producteurs ne peuvent les identifier et sont peu informés sur les différences entre ces produits inférieurs (et parfois dangereux) et les produits de qualité.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Provision d'informations sur l'importance et les avantages des produits homologues et les moyens de distinction des produits non-homologues et de contrefaçon.</i></li> </ul>
<b>Related to Product Sales</b>		<b>Vente</b>	
<ul style="list-style-type: none"> <li>Farmers are often far from entities which transform (e.g., post-harvest processing, drying, etc.) their production. The distance and lack of competition among transformation service providers adds to the costs of production and/or pressure to sell their produce without transformation.</li> </ul>	<ul style="list-style-type: none"> <li>Access to quality produce-transformation services (e.g., post-harvest processing, drying, etc.) closer to small-scale farmers</li> <li>Training in techniques for production transformation (e.g., post-harvest handling, drying, etc.) for small-scale producers, specifically techniques which would help producers better meet market expectations</li> </ul>	<ul style="list-style-type: none"> <li><i>Les unités de transformations ne sont pas nombreuses et sont souvent éloignées pour plusieurs producteurs ce qui augmente les coûts de production, la vente sans transformation, altère la qualité etc.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Accès aux services de transformation de qualité à proximité des petits producteurs.</i></li> <li><i>Formation en techniques de transformation pour les petits producteurs qui répondent aux normes de qualité du marché.</i></li> </ul>

<b>Constraints for Small-scale Producers</b>	<b>(Potential) Market-Based Solutions</b>	<b>Contraints de Petits Producteurs</b>	<b>Solutions Commercialement Viables et Potentielles</b>
<ul style="list-style-type: none"> <li>A majority of farmers risk deterioration of their final production due to the lack of infrastructure to stock and store their produce. This increases post-harvest losses, reduces the quality of their harvests, and results in lower net income for small-scale farmers.</li> </ul>	<ul style="list-style-type: none"> <li>Access to services for stocking and storing the final production of small-scale farmers, which meets market expectations</li> <li>Access to commercial storage products and training in crop storage techniques for small-scale farmers</li> </ul>	<ul style="list-style-type: none"> <li><i>La majorité des producteurs font face à la détérioration de leur production faute d'avoir des infrastructures de stockage adéquats ce qui augmente la perte de production post récolte, entraîne la baisse de la qualité de la récolte etc.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Accès aux services de stockage qui répondent aux normes pour les petits producteurs</i></li> <li><i>Access à des produits commerciaux de conservation et la formation sur les techniques de conservation pour les petits producteurs</i></li> </ul>
<ul style="list-style-type: none"> <li>Certain farmers find it difficult throughout the year to find markets for their production. As a result, they often sell at lower prices or stock their production for longer periods of time. Added storage of produce creates additional costs while also risking a decrease in the quality of the harvest.</li> </ul>	<ul style="list-style-type: none"> <li>Access to new markets for small-scale farmers</li> </ul>	<ul style="list-style-type: none"> <li><i>Certains producteurs sont confrontés à des problèmes d'écoulement de leur production ce qui les poussent à vendre à bas prix, à stocker (coûts supplémentaires, baisse de la qualité) etc.</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Accès aux marchés pour les petits producteurs.</i></li> </ul>

### **3.3.2 Challenges to Providing MBSs to Small-Scale Farmers**

Within the agriculture inputs support market, many private-sector market actors (Lead Firms) have both the interest and incentives to provide the above-mentioned MBSs to small-scale farmers (*in a commercially viable and sustainable manner*). These Lead Firms include, but are not limited to:

- Agricultural Tools & Equipment Importers
- Agriculture Equipment Manufacturers
- Chemical and Fertilizer Import and Production Companies
- Seed Import and Production Companies
- Wholesale/ Retail Distributors of Agricultural Inputs (*including the small-scale retailers and mobile vendors in their commercial sales networks*).

But these Lead Firms are not without their own set of challenges in providing the MBSs to both intermediaries in their commercial sales networks and farmers. These challenges (*as described by the market actors themselves during interviews*) are noted below.

- Many agricultural input supply companies have good reputations but lack the commercial sales networks to sell their products to rural areas of the country.
- Agricultural input supply companies tend to focus on product diversification rather than extension of commercial sales networks to rural farmers.
- Providers of agricultural inputs find it difficult to estimate demand because of the interference of unpredictable government subsidies.
- While interest is high for agricultural tools and equipment, small-scale farmers lack the financial means to make a purchase and are generally not well organized enough to increase their buying power.
- Chemical and Fertilizer Importer and Production Companies and their intermediaries face competition from counterfeit and degraded products in the marketplace.
- The largest buyers of agricultural inputs for many companies is government and donor programs. Limited effort is therefore made to develop commercial sales networks that can reach the general population. As a result, farmers are underserved and companies are operating under capacity.
- Some Wholesale/ Retail Distributors are late in receiving agricultural inputs from their suppliers, reducing the efficacy of the products they sell.
- Seed Importer and Production Companies realize the importance of adapting seed varieties to the climatic conditions throughout the country, but have not yet pursued this opportunity.
- Seed Production Companies are unable to meet the sales demand for the quantities of certified seed requested by producers directly.
- Production of seed requires expertise and monitoring of seed outgrowers to ensure quality and compliance, proving to be a challenge for Seed Production Companies.
- Some Wholesale/ Retail Distributors have not tapped into financing opportunities, which limits their abilities to acquire and stock additional products.

### **3.3.3 Initial Initiatives Suggested by Lead Firms**

Despite the challenges that Lead Firms face in providing quality and affordable inputs to farmers, many are willing and eager to invest resources in various initiatives that will help them to improve their competitiveness as well as the commercial products, services and support (MBSs) they provide to small-scale farmers. As discussed earlier, Lead Firms in the agriculture inputs support market include Wholesale/Retail Distributors, Seed Import and Production Companies, Chemical and Fertilizer Import and Production Companies, and Agricultural Tools and Equipment Importers and Manufacturers.

In-person interviews with these Lead Firms revealed a diversity of initiatives that they are interested in undertaking to improve and expand their operations to benefit more small-scale farmers. They face a diversity of challenges in undertaking these initiatives however. Technical and financial support (facilitation) from AFE will enable them to develop and embark on these new endeavors thereby creating sustainable impact for targeted farmers. These initiatives will be led entirely by the Lead Firms themselves. They will advance their business goals but also create increased benefits for targeted farmers as well as growth to agricultural value chains.

Examples of such initiatives Lead Firms are interested in undertaking include, but are not limited to the following:

- Expansion of commercial sales networks (via new store openings, new intermediaries, partnerships, etc.) to reach additional geographic areas of the country for sales of seed, equipment, and other inputs
- Training and information for small-scale farmers regarding the proper application and use of seed and other inputs
- Expansion of seed outgrower operations to increase the quantity of quality seed, including expansions in new geographic areas
- Training for seed outgrowers to improve production of seed
- Support to seed outgrowers in developing irrigation systems for enhanced seed production
- Improvement of seed preparation and packaging to enhance the quality of seed, provide essential information, enhance traceability, and better meet the needs of small-scale farmers
- Access additional funding to increase production of quality seed
- Collaborate with financial lenders to facilitate farmer purchases of agricultural equipment
- Design and implement opportunities/events/demonstrations to introduce quality, affordable tools and equipment (offered by the company) to farmers
- Carry out field demonstrations to small-scale farmers to showcase quality chemicals and nutrients as well as the impacts of counterfeit, diluted, expired, unlabeled, or noncertified products on the market
- Building of internal capacities to provide technical support and services to farmers and intermediaries
- Diversification of products such as development of compost materials

## **IV. Next Steps in Facilitation Design**

This assessment of the agriculture inputs support market has led to a clearer understanding of farmer constraints and needs. It has also revealed the market-based solutions needed as well as the challenges of market actors in providing those solutions. Despite challenges, numerous market actors (Lead Firms) are interested in investing and expanding their outreach to farmers as well as the quality and affordability of inputs. While they have proposed examples of initiatives their businesses wish to undertake they are also in need of support/facilitation, particularly when it comes to new endeavors and/or locations. The immediate next steps to designing facilitation activities in support of the agriculture inputs support markets are discussed in this section.

### **4.1 Next Steps in Facilitation Activity Design**

AFE will be employing the following steps to the design and implementation of market facilitation activities:

Step 1: Invite Lead Firms to propose initiatives for AFE program support (*that will advance their business goals, generate sustainable impact for small-scale farmers, and contribute to the growth of agricultural value chains*)

Step 2: Review applications and help Lead Firms to refine and plan their proposed initiatives

Step 3: Structure agreements to collaborate with Lead Firms

Step 4: Provide technical and financial support to Lead Firms

Step 5: Monitor, evaluate, and adapt program facilitation

Facilitation activities typically involve both technical and financial support of Lead Firms in planning and implementing their initiatives. This support will be provided both on a company-specific and cross-company basis. This will depend on initiatives proposed by the firms.

## **4.2 Step 1: Invite Lead Firms to Propose Initiatives for AFE Support**

Facilitation activities are based on supporting initiatives which Lead Firms plan to undertake in the next one to three years. These are priorities for growing their businesses and the overall agriculture inputs support market, while delivering quality, affordable inputs, services and support to targeted farmers. In order to determine these initiatives, the Lead Firms will be given the opportunity to put forth *their* priorities for consideration.

This will be done through a written application format, which is initiated by an “**Invitation for Applications**” (IFA) from AFE. The IFA presents the criteria for participation along with an application format that Lead Firms can complete in order to apply for facilitation support from AFE in designing and implementing their initiatives (*initiatives that will help the Lead Firm to improve its competitiveness and overcome challenges to improving/expanding the sale of quality and affordable agriculture inputs (as well as information on the use of those inputs) to small-scale farmers*).

The IFA process provides an opportunity to: (1) invite many Lead Firms to participate in an open application process, available to all Lead Firms which apply and meet application criteria; (2) allow Lead Firms to expand upon ideas that were already discussed, propose new ideas, and be more specific about the proposed initiatives that they would like to implement; and, (3) allow AFE to collaborate with the Lead Firms during the application process, resulting in initiatives which are optimally aligned with both the applicant’s and AFE’s goals.

### **4.2.1 Invitation for Applications (IFA)**

Key components of an IFA are the objectives, parameters of support, selection criteria, and application format. The IFA for the agriculture inputs support market is provided in Appendix 5.

**AFE Program Objectives** - The objectives of the AFE Senegal program are laid out in the IFA along with the targeted small-scale farmers. The IFA acknowledges the private sector’s role in the agriculture inputs support market and the program’s commitment to private sector growth. The specific market-based solution that the program seeks to promote – in this case “access to and provision of information about quality and affordable inputs for famers” is presented.

**Parameters of Support** - The IFA provides guidance as to what may and may not be supported by AFE, but without pre-determining specific Lead Firm initiatives. As an example of parameters of support, the IFA explains that AFE will not fund fixed assets of the Lead Firm (as these are fungible and can be more easily used for activities that are not part of the Lead Firm agreement) or recurrent operational costs such as personnel (as costs share for these can lead to dependency).

**Illustrative Lead Firm Initiatives** - In order to provide Lead Firms with ideas as to the type of initiatives which could be considered for support, illustrative initiatives are included in the IFA. As discussed earlier, these initiatives should improve the firm's competitiveness and improve/expand the commercial products, services and support (MBSs) they provide to small-scale farmers in Senegal. A variety of illustrative initiatives were suggested by Lead Firms during interviews as mentioned earlier. These were incorporated into the IFA. Other illustrative interventions were included from previous experiences and successes from similar Lead Firms in other countries.

**Selection Criteria** - The IFA lays forth criteria that Lead Firms must meet in order to receive technical and/or financial support from AFE. Criteria relate to the number of commercial linkages to targeted farmers, willingness to make investments to expand products/services to targeted farmers, sufficient financial strength to make investments or dedicate resources to improve/expand commercial products, services and support to targeted farmers, ability to compete successfully in the market with increasing demand, potential to influence other Lead Firms and actors in the agricultural inputs market, and track record and business reputation. The IFA also includes a maximum cost-share amount, which could be adjusted based on the funds available, number of applicants, and whether initiatives are company-specific or cross-company.

**Application Format** - Finally, the IFA includes instructions regarding the application format, a deadline for submission, timeframe for completion of proposed activities, and contact person for additional information. The application also includes a budget format.

It should also be noted that the IFA process is not a competitive exercise. All Lead Firms that submit an application with proposed initiatives that meet the IFA criteria and parameters for collaboration will be considered regardless of other applicants.

#### **4.2.2 Identifying and Attracting Potential Lead Firms**

During the assessment of the agricultural inputs support market, many input supply companies were identified as Lead Firms that might be eligible for support. The IFA will be distributed to these companies. In addition, a public advertisement (request for expressions of interest) will be issued to identify other Lead Firms who were not yet identified (see Appendix 6). Firms that express interest will then be followed up with in-person discussions. Finally, “pre-application meetings” will be held with potential Lead Firms to assist them in understanding and participating in the application process.

#### **4.3 Next Steps and Beyond**

Given this analysis of the agricultural inputs support market and the results revealed, AFE is ready to move forward with an IFA and then work with applicants to refine their applications, ensuring the initiatives meet both business and AFE program goals. Based on the refined applications, facilitation activities including both technical and financial support will be delineated. Agreements between Lead Firms and the AFE program will be established and “cross-company” activities will also be defined. AFE will integrate monitoring and evaluation into the agreements, ensuring the program collects obligatory data as well as has regular input to support the company in adapting and improving its initiatives, and to also allow the AFE program to adapt its facilitation strategies as needed.

This abbreviated analysis of the agriculture inputs support market has provided a strong foundation for program facilitation activities moving forward. It has also generated good understanding of the private sector’s existing and potential contributions to sustainable development within the agriculture inputs support market and, furthermore, has positioned AFE for expedient implementation.

## **Acknowledgements**

AFE would like to thank all of those that contributed to this assessment. Special thanks to all of the market actors that provided their time and expertise.

## **Appendices**

Appendix 1: List of Persons Interviewed

Appendix 2: List of Agricultural Tools & Equipment Importers and Manufacturers

Appendix 3: List of Chemical and Fertilizer Import and Production Companies

Appendix 4: List of Government Agencies within the Department of Agriculture

Appendix 5: Invitation for Applications

Appendix 6: Request for Expressions of Interest

## Appendix 1: List of Persons Interviewed

Type of Market Actor (Type d'acteur du marché)	S.No.	Entity (Société)	Interviewee/ Contact Person (Personne contact/ Interviewé)	Designation (Titre de fonction)	City/ Region (Ville/Région)
Seed Importers & Agricultural Tools & Equipment Importers ( <i>Importateurs de Semence et Importateurs des Equipements</i> )	1	TropicaSem	Modou Ndiaye	Responsable Commercial	Dakar
	2	DIOUBO SARL	Serigne Diop	Directeur Commercial	Dakar
	3	Agrophytex	Elhadji Dioum	Agronome/Spécialiste Grande Culture et Culture Maraîchère	Dakar
	4	Traoré et fils	Traoré	PDG (CEO)	Dakar
Agricultural Tools & Equipment Importers & Manufacturers ( <i>Importateurs et Producteurs des Equipements Agricoles</i> )	5	SISMAR	Saliou Diop	Chef Service Gestion des Stocks	Thies
	6	African Agro Distribution/CPH	Mouhamed Diallo	Gestionnaire de stock	Dakar
Tool Makers / Metal Workers ( <i>Artisans Locaux</i> )	7	Atelier de fabrication	Mouhamed Thiam	Propriétaire	Kaolack
Chemical and Fertilizer Import and Production Companies ( <i>Importateurs &amp; Producteurs des Produits Chimique et Fertilisants</i> )	8	SENCHIM	Dr Abdoulaye DIEYE	Directeur Commercial	Dakar
Seed Production Companies ( <i>Producteurs de Semences Multipliés</i> )	9	Centrale d'Achat de Toubatoul	Serigne Niang	Secrétaire général	Thies
	10	Centrale d'Achat de Toubatoul	Fatou Diouf	2ème adjointe Trésorière	Thies
	11	Centrale d'Achat de Toubatoul	Fatou Ndiaye	1ère adjointe trésorière	Thies
	12	Centrale d'Achat de Toubatoul	Astou Diouf	Trésorière Générale	Thies
	13	Centrale d'Achat de Toubatoul	Aliou Diouf	Responsable Commission Achats	Thies
	14	Centrale d'Achat de Toubatoul	Ken Thiaw	1ère Vice Présidente	Thies
	15	Centrale d'Achat de Toubatoul	Ousseynou Bane	Responsable Crédit	Thies

Type of Market Actor (Type d'acteur du marché)	S.No.	Entity (Société)	Interviewee/ Contact Person (Personne contact/ Interviewé)	Designation (Titre de fonction)	City/ Region (Ville/Région)
Wholesale/Retail Distributors; Small-scale Retailers; Mobile Vendors <i>(Vendeurs en Gros et au Détail; Petits Détaillants; Vendeurs Ambulants)</i>	16	RESOPP	Ablaye Ndour, Souleymane Dia et une autre personne	Responsable volet agriculture commercialisation	Thies
	17	Tool Baye	Elhadji Ibrahima Niass	PDG (CEO)	Kaolack
	18	Tool Baye	Malick Diakhaté	Gestionnaire de projet	Kaolack
	19	KAF (GIE Khaly Amar FALL)	Modou FALL	Président	Thies
	20	Boutique dans le marché	Kabir SECK	Propriétaire	Kaolack
	21	Tambédou et fils (dépositaire de SENCHIM)	Aladji Tambédou	PDG (CEO)	Kaolack
	22	Boutique dans le marché	Nar MBAYE	Propriétaire	Kaolack
	23	Stand dans le marché Louma	Pape Thiam	Vendeur/gérant	Kaolack
	24	Stand dans le marché	n/a	Revendeurs des légumes	Kaolack
	25	SPIA Kaolack	Maguette Diouf	Responsable	Kaolack
Farmers, including Seed Outgrowers <i>(Cultivateurs, inclus Producteurs de Semences Contractuels)</i>	26	TropicaSem	Cheikh Dioum	Détaillant TropicaSem	Thies
	27	TropicaSem	Seydina Fall	Gérant	Thies
	28	Ferme Kandji	Mame Issa Kandji	Propriétaire	Kaolack
	29	Ferme Kandji	n/a	Gérante	Kaolack
	30	Ferme ANIDA 2	Absa Ndiaye	Secrétaire Générale	Kaolack
	31	Ferme ANIDA 2	Abdou Ngom	Conseiller Agricole/ Gérant	Kaolack
	32	Ferme Taiba Niassene	Omar Diao	Conseiller Agricole/ Gérant	Kaolack
	33	Ferme ANIDA 2	Aliou Gueye	n/a	Kaolack
	34	Ferme ANIDA	Keba Cisse	n/a	Kaolack
	35	Ferme de Diosson	Yoro Ndiaye	Conseiller Agricole/ Gérant	Kaolack
	36	Ferme ANIDA 3	n/a	Gérant	Kaolack
	37	Ferme ANIDA 3	n/a	Cultivateur	Kaolack
	38	Ferme ANIDA 4	n/a	Cultivatrice	Kaolack
	39	Ferme ANIDA 4	n/a	Cultivatrice	Kaolack
	40	Ferme ANIDA 4	n/a	Cultivatrice	Kaolack
	41	Ferme ANIDA 4	n/a	Cultivatrice	Kaolack
	42	Ferme ANIDA 4	n/a	Cultivatrice	Kaolack
	43	Ferme de Keur Madiabel	Mory Aidara	Fermier	Kaolack

Type of Market Actor (Type d'acteur du marché)	S.No.	Entity (Société)	Interviewee/ Contact Person (Personne contact/ Interviewé)	Designation (Titre de fonction)	City/ Region (Ville/Région)
Government Entities (Structures Gouvernement)	44	DRDR Kaolack	Samba Gaye	Chef de division géni rural	Kaolack
	45	ANIDA	Mamadou Khady Niass	Coordonnateur Zone centre	Kaolack
	46	Direction de la modernisation de l'équipement rural	Amadou Ngaido	n/a	Dakar
	47	DRDR Thiès	Abibe SIDIBE	Directeur	Thies
	48	DRDR Thiès	Diarra	Adjoint Directeur	Thies
	49	Chambre de commerce de Kaolack	Djiby Diop	Président de la section agricole de la chambre de commerce Kaolack	Kaolack
	50	Direction de la Protection des Végétaux	Mme SECK	Responsable base de données	Dakar
	51	ISRA	n/a	Responsable laboratoire/recherche	Dakar
	52	CDH (Centre de Développement de l'Horticulture)	Youga NIANG	Chargé de recherche	Dakar
	53	Bureau d'Analyses Macro-économiques ISRA	Djibril DIA	Directeur	Dakar
NGO (ONG)	54	DAPSA, MAER, SÉNÉGAL	Ibrahima Faye	Directeur de la division statistique	Dakar
	55	DAPSA, MAER, SÉNÉGAL	Mamadou NGOM	Bureau Informatique et Traitement des données	Dakar
	56	PADEN	Maguette SECK	Conseiller en Développement des marchés des chaînes de valeurs	Thies
	57	PADEN	Mahécour DIOUF	Conseiller du géni rural	Thies
	58	AGRA	Dr. Abdou Ndiaye	Country Coordinator	Dakar
	59	AGRA	Abdou Karim Dieye	Deputy Country Coordinator	Dakar
	60	Plan International	n/a	Responsable de Microfinance	Dakar
	61	Feed the Future, USAID	Amadou Souare	Directeur Zone Nord	St. Louis

## Appendix 2: List of Agricultural Tools & Equipment Importers and Manufacturers

N°	Type of Market Actor	Name of Entity	Products
1	Importers	Matforce	Generators; Pumps and electric pumps; Tractors and agricultural machinery; Irrigation equipment <i>(Groupes ; Motopompes et Pompes électriques ; Tracteurs et machines agricoles ; Matériel d'irrigation)</i>
2	Importers	SOFICA	Generators; Pumps and electrical pumps <i>(Groupes ; Motopompes et Pompes électriques)</i>
3	Importers	Bernabe	Generators; Pumps and electric pumps; Small tools <i>(Groupes ; Motopompes et Pompes électriques ; Petits outillages)</i>
4	Importers	CFAO	Generators; Pumps and electric pumps; Small tools <i>(Groupes ; Motopompes et Pompes électriques ; Petits outillages)</i>
5	Importers	Sehi Sénégal	Generators; Pumps and electrical pumps <i>(Groupes ; Motopompes et Pompes électriques)</i>
6	Importers	TSE	
7	Importers	AFCO	Agricultural machinery and tractors <i>(Tracteurs et machines agricoles)</i>
8	Importers	Dioubo SARL	Irrigation equipment (Matériel d'irrigation)
9	Importers	TropicaSem	Irrigation equipment (Matériel d'irrigation)
10	Importers	Delta Irrigation	Irrigation equipment (Matériel d'irrigation)
11	Importers	CCBM	Agricultural materials (Matériel agricole)
12	Importers	CPH	Irrigation equipment; Small tools (Matériel d'irrigation; petits outillages)
13	Importers	Equip Plus	Agricultural machinery and tractors (Tracteurs et machines agricoles)
14	Importers	Ets TRAORE et Fils	Small tools (Petits outillages)
15	Importers	NIAYES SARRAULT	Irrigation equipment; Small tools (Matériel d'irrigation; petits outillages)
16	Manufacturer	SISMAR	Agricultural machinery and tractors; Irrigation equipment; Small tools <i>(Tracteurs et machines agricoles ; Matériel d'irrigation ; Petits outillages)</i>

### Appendix 3: List of Chemical and Fertilizer Import and Production Companies

N°	Type of Market Actor	Name of Entity	Main Products
1	Production	SENCHIM	Pesticides / Fertilizers (Produits phytosanitaires/ Engrais)
2		SPIA	Pesticides (Produits phytosanitaires)
3		NIAYES SARRAULT	Pesticides / Fertilizers (Produits phytosanitaires/ Engrais)
4		LA CIGOGNE	Pesticides / Fertilizers (Produits phytosanitaires/ Engrais)
5		POLYCHIMIE	Pesticides (Produits phytosanitaires)
6		INTERFACE TRADING	Pesticides (Produits phytosanitaires)
7	Importer	TROPICASEM	Pesticides (Produits phytosanitaires)
8		TSE/Afrique	Fertilizers (Engrais)
9		SEDAB SARL	Fertilizers (Engrais)
10		SELSINE	Fertilizers (Engrais)
11		SEPAC	Fertilizers (Engrais)
12		CAPCI	Fertilizers (Engrais)
13		AGROPHYTEX	Fertilizers (Engrais)

## Appendix 4: List of Government Agencies within the Department of Agriculture

N°	Type	Government Agency	Domaine (française)	Domain
1	Directorate	Directorate of Agriculture ( <i>Direction de l'Agriculture</i> )	<i>Accès aux intrants informations pour demande de semences auprès des Commissions locales de vente à travers les Sous-préfets ou Présidents de Conseil rural</i>	Access to information about seed demand from local sales commissions through the Sub-prefects or Rural Council Presidents
2	Directorate	Directorate of Plant Protection ( <i>Direction de la Protection des Végétaux</i> )	<i>Surveillance et alerte phytosanitaire Prévention et lutte contre les nuisibles à l'échelle nationale</i>	Surveillance of phytosanitary products Prevention and fight against harmful products nationwide
3	Directorate	Retention Basins and Artificial Lakes Office ( <i>Bureau des Bassins de Rétention et des Lacs Artificiels</i> )	<i>Administration et Gestion des bassins de rétention et des lacs artificiels</i>	Administration and management of retention basins and artificial lakes
4	Directorate	Directorate of Horticulture ( <i>Direction de l'Horticulture</i> )	<i>Informations secteur horticole, statistiques de production, documentation, etc.</i>	Information horticultural, production statistics, documentation, etc.
5	Directorate	Directorate of Analysis, Forecasting and Agricultural Statistics ( <i>Direction de l'Analyse, de la Prévision et des Statistiques agricoles</i> )	<i>Accès aux informations agricoles : Statistiques de production, documentation, aide à la conception de projet</i>	Access to agricultural information: Production statistics, documentation, assistance in project design
6	Directorate	Directorate of the Modernization of Rural Equipment ( <i>Direction de la Modernisation de l'Équipement rural</i> )	<i>Mise en œuvre la politique de modernisation de l'équipement rural</i>	Implementation of the modernization of rural infrastructure policy
7	Directorate	Directorate of Financing and Partnership Organizations ( <i>Direction du Financement et du Partenariat avec les Organisations</i> )	<i>Chargée du Financement et des partenariats avec les organisations</i>	Responsible for financing and partnerships with organizations
8	Directorate	Directorate of General Administration and Equipment ( <i>Direction de l'Administration générale et de l'Équipement</i> )	<i>Administration de l'Équipement Agricole</i>	Administration of Agricultural Equipment
9	Support Structures	National Council for Agricultural and Rural Agency ( <i>Agence National de Conseil Agricole et Rural (ANCAR)</i> )	<i>Conseil et Recherche Développement Transfert de technologies agricoles, formation, sensibilisation, information, etc.</i>	Advice and technological research as well as transfer of agricultural technology, training, awareness, information, etc.
10	Support Structures	Society for the Development and Exploitation of the Delta	<i>Accès à l'eau et informations cartographiques : Aménagement hydro-agricole dans la zone Nord du Sénégal Cartographie</i>	Water access and cartographic information: Hydro-agricultural development in the Northern Zone of Senegal (North Zone / River) plus

N°	Type	Government Agency	Domaine (française)	Domain
		(Société d'Aménagement et d'Exploitation du Delta (SAED))	(zone Nord / Fleuve) de l'occupation et de la nature des sols, des infrastructures, réseaux routiers et hydrauliques, etc.	information on soils, infrastructure, road and water networks, etc.
11	Support Structures	Senegalese Institute of Agricultural Research <i>(Institut Sénégalais de Recherche Agricole (ISRA))</i>	<i>Recherche Agricole : Informations sur variétés améliorées, pratiques agricoles adaptées, analyse des sols, etc. Partenariat avec l'IRD et CIRAD qui disposent d'informations spécifiques</i>	Agricultural Research: improved varieties, adapted agricultural practices, soil analysis, etc. Partnership with IRD and CIRAD have specific information
12	Support Structures	Institute of Food Technology ( <i>Institut de Technologie Alimentaire (ITA)</i> )	<i>Recherche Agroalimentaire : Développement de technologie de transformation agricole</i>	Agri-Food Research: Agricultural Transformation Technology Development
13	Support Structures	National Institute of Soil Science <i>(Institut National de Pédologie (INP))</i>	<i>Informations cartographiques : Cartes d'informations spécifiques (sols, zones agro-climatiques, etc.)</i>	Map information: specific information maps (soils, agro-climatic zones, etc.)

# Appendix 5: Invitation for Applications

## INVITATION FOR APPLICATIONS

### **PROGRAM TO SUPPORT THE MARKET FOR AGRICULTURAL INPUTS IN SENEGAL**

Action for Enterprise (AFE) is inviting commercial enterprises which import, produce, and/or sell ***agricultural inputs*** (including seed, fertilizers, chemicals, tools/equipment, etc.) in Senegal to submit applications for assistance in developing or expanding their capacities to sell affordable and quality inputs to small-scale farmers.

Commercial vendors of agricultural inputs will **propose their own initiatives** to improve their competitiveness, expand their commercial sales networks, build their capacity to provide useful information and training to farmers, and offer a greater variety of quality products adapted to the needs of small-scale farmers throughout Senegal. AFE will provide technical and financial support to companies which meet the selection criteria (further described below).

Technical and financial support agreements (***with cost share components ranging from 2,000,000 to 3,000,000 CFA***) will be negotiated with qualifying companies who meet the criteria listed below. This support must contribute to a significant investment by the companies themselves in their proposed initiative. AFE will provide technical support as needed to build the capacity of successful applicants to implement their proposed initiatives. *Companies that successfully implement initiatives under this program will have the opportunity to propose additional initiatives once the first one is completed.*

Applications must be submitted in accordance with the format described below and received no later than ***April 4<sup>th</sup>, 2016***.

#### **Background**

Action for Enterprise (AFE) is a non-governmental organization with headquarters in the United States and a local office in Senegal. One of the objectives of AFE's program in Senegal is to promote greater commercial access of quality agricultural inputs (and better information on the use of those products) for small-scale farmers. AFE realizes the importance of private sector companies to drive change, sell needed inputs and provide technical support to the producers with whom they transact.

Recent assessments carried out by AFE in Senegal showed that small-scale farmers lack: 1) access to quality agricultural inputs at affordable prices, and; 2) appropriate knowledge and skills to use the inputs correctly. This results in low productivity and yield, crops being more prone to disease, and increased chances for crop loss. Some of the challenges that input supply companies interviewed face in addressing these and other constraints include:

- Lack of commercial sales networks to sell their products in rural areas
- Difficulty in meeting commercial demand for quality seed in quantities requested
- Difficulty in estimating commercial demand for inputs due to the interference of (unpredictable) government subsidies
- Lack of financial means of small-scale farmers to purchase agricultural inputs
- Competition from counterfeit and degraded products in the marketplace
- Degradation of agricultural inputs during transportation or storage
- Lack of technical expertise in seed multiplication
- Lack of awareness of financing opportunities for business expansion

AFE is seeking to collaborate with agricultural input supply companies to support initiatives (*proposed by the companies themselves*) that will address these challenges, improve company competitiveness, expand their commercial sales networks, build their capacity to provide useful information and training to farmers and intermediaries, and offer a greater variety of quality products adapted to the needs of small-scale farmers.

***Illustrative Areas for Support:*** Proposed initiatives should contribute to each company's ability to significantly improve or expand the sale of quality and affordable agricultural inputs to small-scale farmers in underserved areas. Proposed initiatives should also address the challenges (listed above) that the company faces in doing this.

*See the appendix for examples of activities that could be supported. Please note that the company will be responsible for organizing and managing these activities (initiatives) with technical and/or financial support from AFE.*

**AFE cost share funds cannot be used for:**

- Working capital (day to day company operations for salaries, rent, purchases, etc.)
- Direct payment or subsidy to farmers
- Fixed assets (computers, vehicles, tools, equipment, etc.)

**General Criteria**

Eligible applicants for this program must:

- Have existing commercial linkages with at least 1,500 producers (either directly or through their sales networks).
- Have been in operation in the agriculture inputs sector for at least the past two years.
- Have commercial interest and incentives to invest in the development and expansion of their rural sales networks and in the intermediaries and farmers they sell to (through expanded sales representatives, improved inputs, packaging, information, training, and/or other forms of support).
- Be providing inputs/services of acceptable quality that respond to the needs of farmers.
- Have policies in place to ensure that no dangerous, illegal or counterfeit products are being sold to farmers.
- Make an investment of at least 30% of the cost of the initiative(s).
- Propose initiatives where at least 60% of proposed activities/ budget is for activities that involve direct support to farmers (*either directly by the company or through market actors in their sales/distribution networks*).

**Note:**

- Participation is not eligible for government entities/institutions, NGOs, consulting firms, or associations
- Company's proposed initiative must be designed to develop, improve or expand the company's commercial sales networks (i.e., the commercial sale of its products to farmers either directly or through private sector intermediaries). Initiatives designed to improve or expand a company's sales to government or donor programs will not be accepted.

After review of the proposed applications, AFE may determine that some of the proposed initiatives might be best pursued as "cross-company" activities, with several companies participating. This could have the effect of reducing costs and promoting lateral learning. This assessment (as well as discussions with the applicants) will take place once companies have submitted their applications.

**Expected Results:** While it is expected that participating companies will benefit from these activities, it is also expected that they will result in commercially viable sales networks that make quality and affordable agricultural inputs (as well as information on how to use them correctly) available to small-scale farmers in a sustainable manner.

**Preparation and Review of Applications:** AFE will review all applications based on the criteria above and additional information requested in the table below. All applicants that meet the criteria will be considered for technical and financial support. Applicants are invited to discuss their ideas and request advice from AFE program staff in the preparation of their applications.

## INSTRUCTIONS AND FORMAT

**Cover Page**

Name and Address of Applicant (address, phone, fax, email)

Date of Submission

Lead Person to Contact

Reference: AFE Program Application

**Proposed Initiative and Impact (up to 2 pages):**

*Clear description of the proposed initiative, including step-by-step details of all activities within the initiative. Note the number of farmers to be impacted by the initiative (directly or indirectly through commercial sales networks) and the expected impact of the activities (e.g., increased level of understanding, improved performance, increased access to quality inputs, etc.). Be as specific as possible. A summary work plan that includes proposed tasks the company will undertake and timeframe for implementation should be included.*

**Personnel (up to ½ page):**

*Name and qualifications of the company staff who will be responsible for implementing the activities.*

**Experience (up to ½ page):**

*Brief description of past or current initiatives that the company has conducted similar to those proposed or why the company feels it is qualified to successfully conduct the proposed activities.*

**Sustainability (up to ½ page):**

*A clear description of how the proposed initiatives will result in improved competitiveness of the company, expanded commercial sales of improved inputs to farmers, increased and sustainable commercial relationships between the company, the participants in their commercial sales networks and producers, and how the company will be able to continue these relationships and support once the initial initiative ends.*

Applications must be submitted in French and be no more than four pages in length (not including the budget) by **April 4<sup>th</sup>, 2016**. AFE will select applicants that meet criteria within one month. At that time, more detailed activity planning will take place between AFE and the selected applicants. This planning will include:

- A business plan and/or strategic planning exercise related to the proposed initiatives
- Detailed discussions and agreement on strategy, budget and timing for different activities
- Discussions on how technical support from AFE program staff can be provided to support the agreed upon activities
- Discussions on how combined technical support or “cross-company activities” might be organized with several companies.

Company initiatives must be completed within six to nine months of signing an agreement with AFE. Additional initiatives can be considered after the first initiative is successfully complete.

Please submit an electronic copy of your application by April 4<sup>th</sup>, 2016, to the AFE program at email: [senegalapplication@actionforenterprise.org](mailto:senegalapplication@actionforenterprise.org). In the email body, please include the name, title, phone number, and email of the lead contact person who will be involved with the application process.

**Conditions:** Issuance of this Invitation for Applications in no way constitutes a commitment by AFE to execute any agreement or to pay any costs incurred by any applicant in submitting an application.

Please note that **AFE will fully respect the confidentiality** of all companies involved in the program.

If applicants are selected, AFE will establish a memorandum of understanding (and subsequent technical/financial support agreements) with the company. These documents will describe the objectives of collaboration and clearly define each party's respective responsibilities, roles, and obligations. Successful applicants must be willing to share information with AFE regarding the increased sales and impact that result from their initiatives. AFE program staff (on a sample basis) will conduct interviews with participants in the company sales network as well as farmers to gather information on impact and to monitor progress.

### Instructions for Completing the Budget

Each applicant will prepare a budget using the format below. If possible (though not mandatory) the applicant should prepare and send this budget as an additional file in Microsoft Excel format. **Applicant must contribute at least 30% to the costs of the proposed initiative.**

	Line Item	Budget Notes (describes line item in more detail)	Cost/ Unit	Days/ Unit	People/ Number	Total Cost	Company Investment	AFE Cost Share
1								
2								
3								
5								
6								
7								
8								
9								
10								
11								
	<b>Total Costs</b>							
	<b>Total AFE cost share (up to 70%)</b>							
	<b>Total Company investment (at least 30%)</b>							

\* Please contact AFE for any assistance or questions you may have.

## IFA APPENDIX 1: ILLUSTRATIVE COMPANY-LED INITIATIVES FOR AGRICULTURAL INPUTS

### Explore/ Develop New Markets Targeting Small-Holder Farmers

- a. Conduct meetings with farmers to inform them about the inputs (products and services) they offer to improve agricultural production
- b. Development of promotional materials, catalogues, web pages, product information sheets, point of sale materials, etc.
- c. Training and capacity building of sales intermediaries carrying company products (retailers, mobile vendors, commissioned agents, etc.) to enable them to better inform farmers on the correct use of the products that the company is offering
- d. Development of posters, brochures or other materials to assist in dissemination of appropriate use of agricultural inputs for smallholder farmers
- e. Expansion of the company's rural sales network through the identification and training of individuals that can serve as commissioned agents, retailers, wholesale dealers, etc.
- f. Identification, testing and/or production of new agricultural inputs to meet the needs of small-scale farmers in underserved market areas

### Provide Training, Promotion and Extension to Farmers and Intermediaries

- a. Development of promotion/training modules to expose small-scale farmers to correct usage and application of the company's agricultural inputs (seeds, fertilizers, organic manure, pesticides, micronutrients, tools, equipment, etc.)
- b. Education of retailers and mobile vendors selling company products to increase their awareness, skills, and abilities to advise farmers on the proper use of the agricultural inputs
- c. Development and implementation of training activities, demonstration plots and/or field days for farmers to promote the sale of the company's agricultural inputs and how to use them correctly as well as counterfeit products and how/why to avoid them
- d. Link with micro-finance institutes to promote small-scale loans for farmers to access inputs like fertilizers, seeds, chemicals, equipment, etc.
- e. Capacity building of company staff to provide improved extension services to farmers

### Develop/Expand New or Improved Products and Services to Farmers

- a. Identification and testing of new seed varieties (including hybrids), ag nutrients/chemicals, equipment, tools and other inputs appropriate and affordable for small-scale farmers
- b. Improvement of seed preparation and packaging to enhance the quality of seed, provide essential information, enhance traceability, improve brand recognition and better meet the needs of small-scale farmers
- c. Development/expansion of seed outgrower operations to increase the quantity and quality of seed multiplication (training for seed outgrowers to improve production of seed, develop irrigation systems for enhanced seed production, etc.)
- d. Access to commercial finance to increase production of quality inputs
- e. Introduction of new methods for storage and/or methods to preserve the quality and value of agricultural inputs
- f. Development, promotion, and integration of Information Communication Technologies into company operations
- g. Development of information materials on safe use of agricultural chemicals (*including chemicals to avoid due to safety or environmental concerns*)
- h. Diversification of products

### Conduct Exposure Visits, Learning Events or Business to Business Meetings

Learning visits or events in Senegal or abroad in order to identify:

- a. Sources of improved inputs, tools or equipment
- b. New input production technologies
- c. Innovative ways of organizing sales between input supplier and producers
- d. New techniques for achieving high productivity/quality/lower costs from input supply company to farmers

### Business/Strategic Planning, Quality Management, Enabling Environment

- a. Development of business and/or strategic plans for new products and services
- b. Improvement in quality management of production and sales operations
- c. Organization of a working group to advocate/encourage government to improve enabling environment

**Note:**

1. *A business or strategic planning exercise will need to be conducted to facilitate the implementation of many of these initiatives.*
2. *Input Supply Companies will need to show how they work with, coordinate, and/or build the capacity of their dealers and/or retailers to implement many of these initiatives.*

This list is non-exhaustive, and your company might have additional or better ideas. The purpose of this list is to provide illustrative examples of company initiatives that could be supported by the AFE program. Any combination of these activities is encouraged. However, ***all supported activities must show how they will improve/expand the company's rural sales networks and offer high quality and affordable commercial agricultural inputs (and information about the correct use of those inputs) to a greater number of small-scale farmers in Senegal.***

## Appendix 6: Request for Expressions of Interest

### Request for Expression of Interest from Commercial Agricultural Input Supply Companies

An international development organization is inviting commercial enterprises which import, produce, and/or sell agricultural inputs (including seed, fertilizers, chemicals, tools/equipment, etc.) in Senegal to submit applications for assistance in developing or expanding their capacities to sell affordable and quality inputs to small-scale farmers. Commercial vendors of agricultural inputs will **propose their own initiatives** to improve their competitiveness, expand their commercial sales networks, build their capacity to provide useful information and training to farmers, and offer a greater variety of quality products adapted to the needs of small-scale farmers throughout Senegal.

The opportunity to benefit from technical support from the project is open to all commercial/ private sector input supply companies that meet the following criteria.

1. Have existing commercial linkages with at least 1,500 producers (either directly or through their sales networks).
2. Have been in operation in the agriculture inputs sector for at least the past two years.
3. Have commercial interest and incentives to invest in the development and expansion of their rural sales networks and in the intermediaries and farmers they sell to (through expanded sales representatives, improved inputs, packaging, information, training, and/or other forms of support).
4. Be providing inputs/services of acceptable quality that respond to the needs of farmers.
5. Have policies in place to ensure that no dangerous, illegal or counterfeit products are being sold to farmers.
6. Make an investment of at least 30% of the cost of the initiative(s).
7. Propose initiatives where at least 60% of proposed activities/budget is for activities that involve direct support to farmers (*either directly by the company or through market actors in their sales/distribution networks*).

*Note: Non-governmental organizations (NGOs), government entities/institutions, consulting firms, and associations are not eligible to apply.*

Interested companies are requested to send an email to [senegalapplication@actionforenterprise.org](mailto:senegalapplication@actionforenterprise.org) to present their company profile and request the application format. Phone inquiries can be directed to +221 33 867 2530. All expressions of interest are due to Action for Enterprise by March 20, 2016.

Thank you.