# Contractual marketing experience: case study of the tomato in Senegal

CNCR/SENEGAL

- GOALS: To defend industry interests
- RESPONSIBLE BODY: CNCFTI
- LOCATION: VFS
- LENGTH OF EXPERIENCE: Since 1995
- FINANCING: Producers and Industries
- CONTEXT: Disengagement of agriculture since 1984:

- Liberalisation of the tomato industry as well (Cotton, Rice, Ground nuts, etc.);
- The smallholder members of the VFS take control of their destiny (defence committee 1993);
- Establishment of the college of producers and the national tomato industry coordination committee in March 1995.

# KEY FACTS

## COMMITTEE COMPOSITION

•**Eight colleges**:

-Producers;

-Industries;

-Shippers;

-Suppliers;

-Financial institutions;

-Public institutions;

-Dealers;

-Consumers

•**Administration**: Presidency (producers) Finance section (Industries) secretariat (IP)

**ROLE OF THE COMMITTEE**

- Monitoring the area under cultivation (management of supply and contracts between the industrial side and the producters);
- Arbitration of price setting to the producer (nowadays this is every three years);
- Organising invitation to tender for the bulk purchase of inputs;
- Defending and representing the interests of the industry.

**CAMPAIGN STEPS**

- Surveying cultivation goals
- Negotiating the terms of the production contract: industries and College of Producers
- Launch of invitations to tender to the suppliers by the committee
- Opening of bids and contract awards: input contracts
- Drafting of expression of needs and lodging with the CNCAS, with the Committee's seal as a credit guarantee;
- Reactivation of the technical data sheet

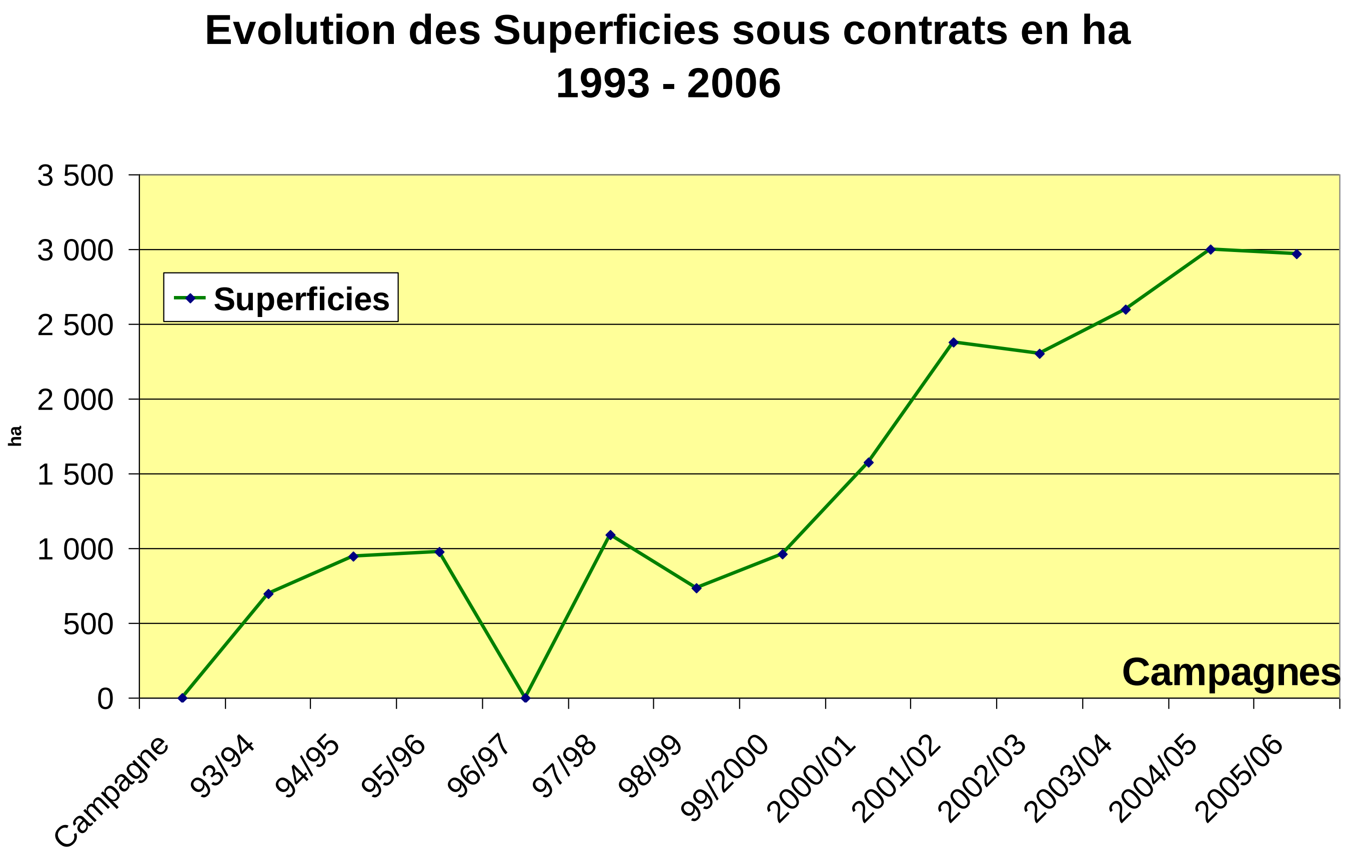
# Campaign steps (continued)

- Weekly or fortnightly meetings: technical committee campaign monitoring
- Delivery and marketing preparation meetings
- Transfers to the CNCAS by the SOCAS and payment to the producer organisations
- Assessment workshop

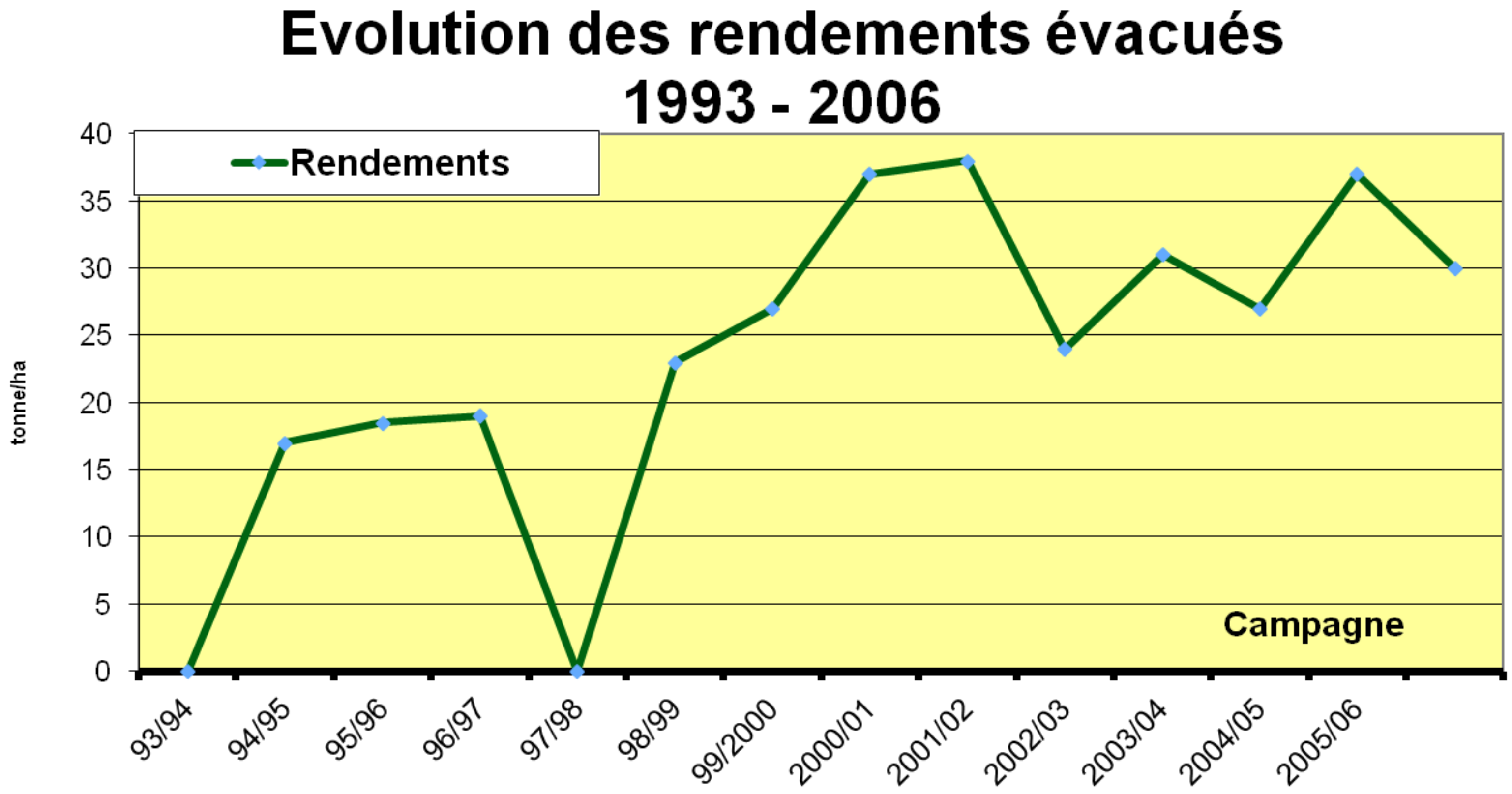
# Industry changes from 1993 to 2012

- Areas under contract: 700 to 3,200 ha;
- Price to producers (TF): 30 to 52F/kg
- Produce delivered : 12,000 à 80,000 T
- Yield delivered: 17 to 25 T/ha
- Tomato concentrate price: 540 – 1,250 – 1,000F/kg

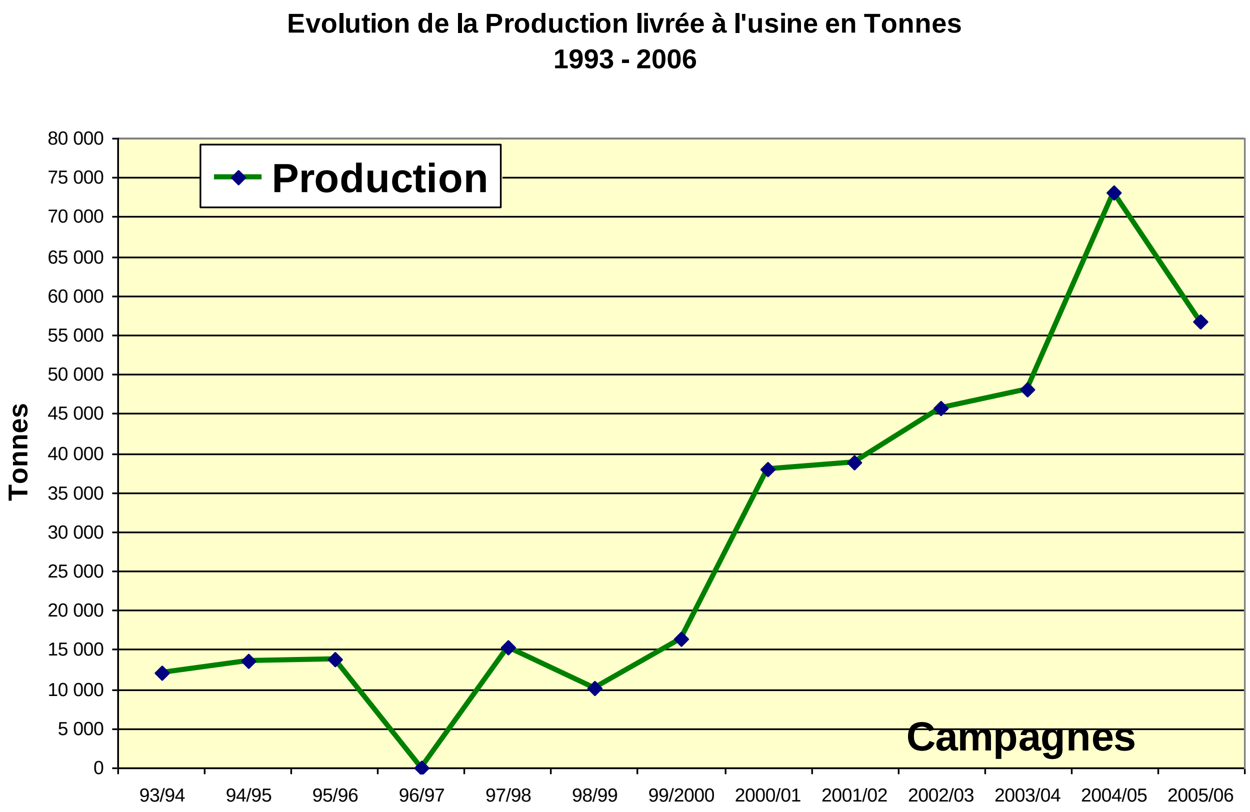
# Development of areas under contract



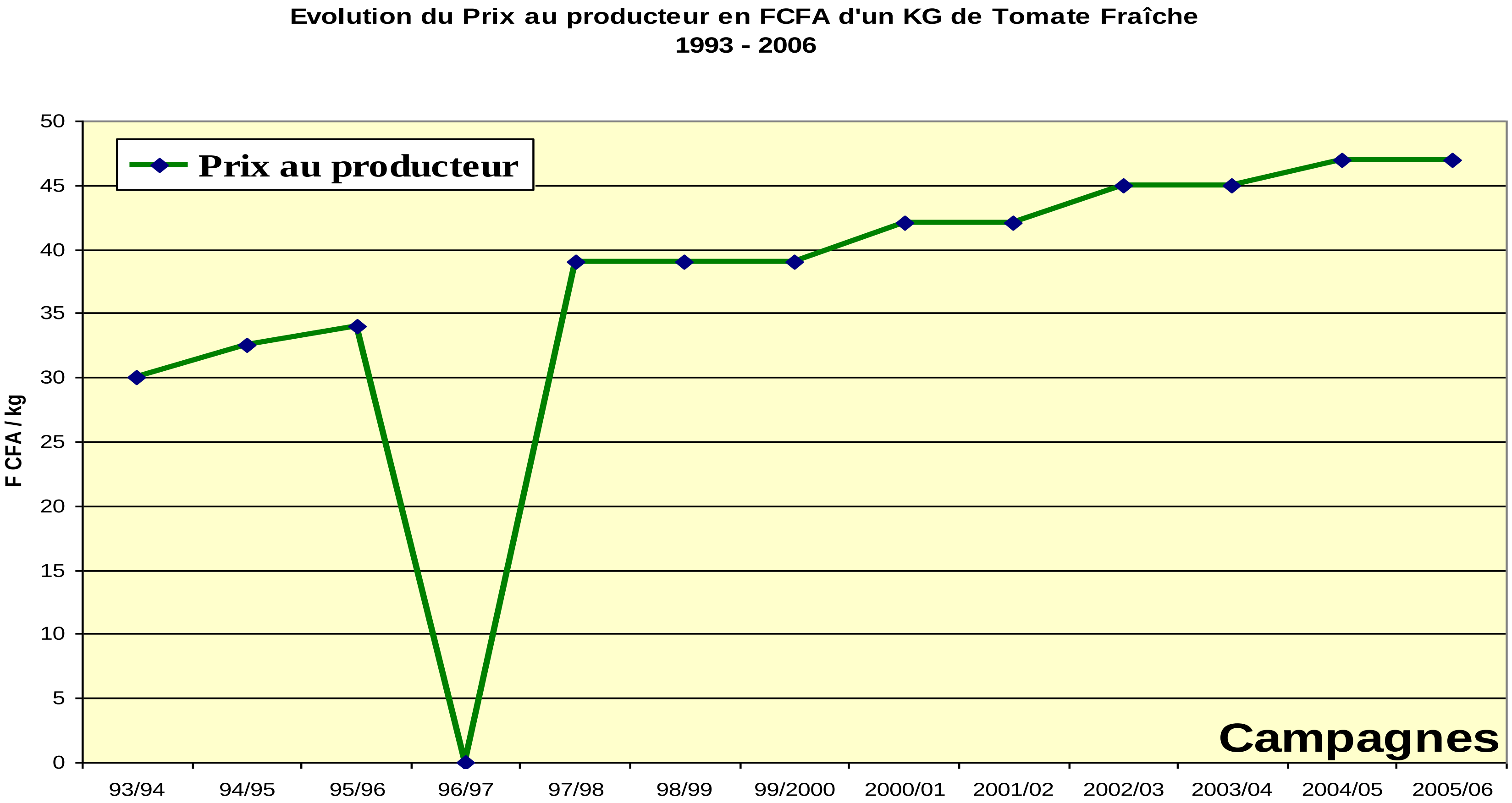
# Development of yields



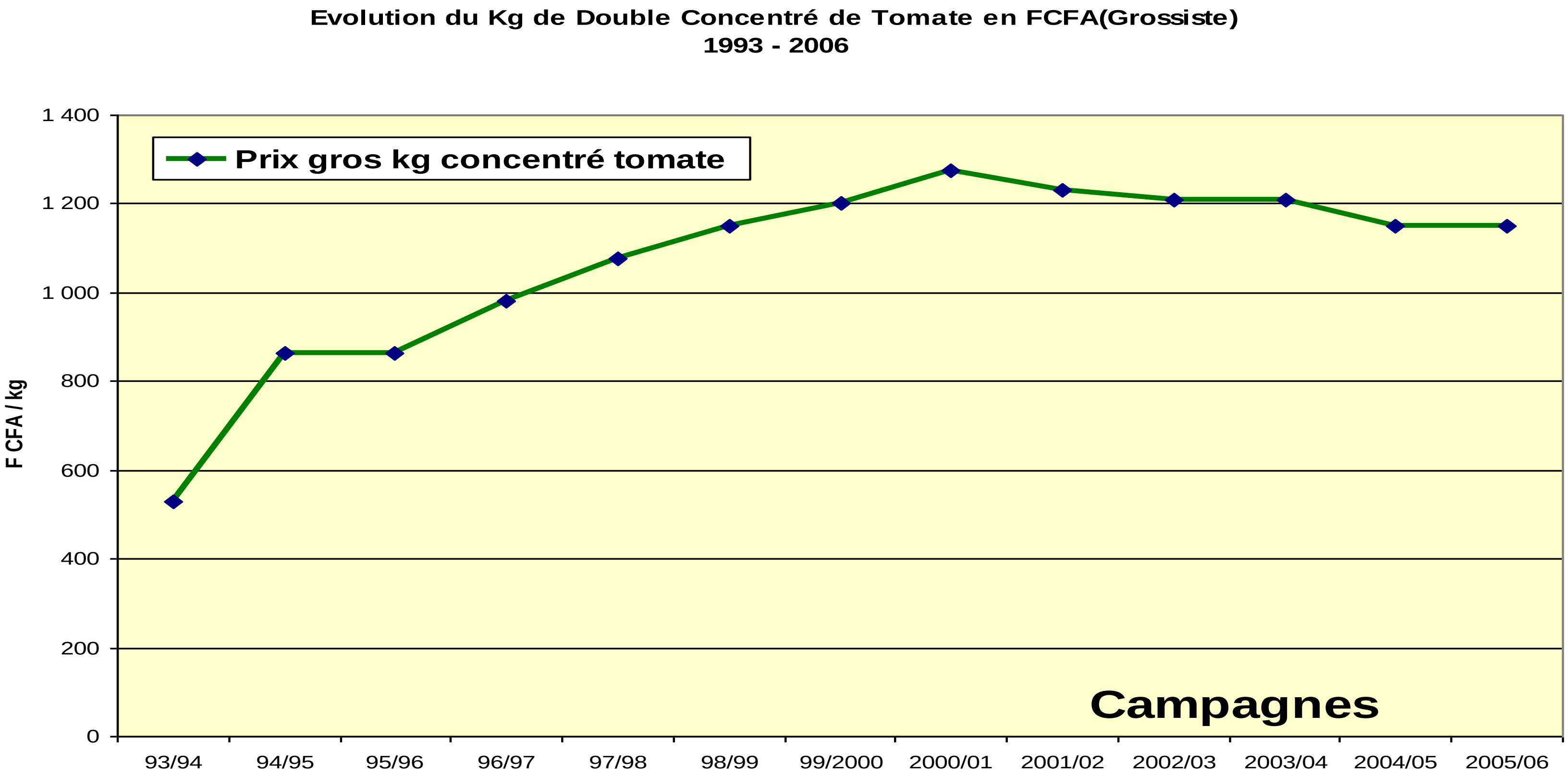
# Development of produce delivered to the factory



# Development of prices paid to producers



# Concentrate price per kilo



# A few lessons learned

- **The important part played by the interprofessional body** (CNCFTI):

- as a coordination framework (players talk to each other and respect each other);
- for setting the price to the producer before the marketing year;

- regulation (managing supply per area, motivation, decision-making and defending the interests of the players in the industry);

- technical structure (developing the technical datasheet and the best agricultural practice sheet);

- access to credit (150 million to 1.7 billion Fcfa), to inputs (use of fertiliser at 600kg/ha), to agricultural equipment (purchase of tractors by the producer organisations);

- Committee resources: levy of 1f/kg for Committee management (0.5F/kg from the producer and the same from industry). This is a surety and guarantees operations.

# A few lessons learned…….(continued)

- Importance of the price increase to the producer, for leveraging the other indicators. It was definitely a stimulus for encouraging commitment from the smallholders and their organisations in managing the industry;

- Industry organised so that producers win and the industry wins, a 'win-win' feeling, with consumers taken into account when setting wholesale prices, and even including price cuts (Tomato Festival and prizes awarded by the industry);

- Jobs created (several hundred), wealth created (105 billion FCFA) between 1997 and 2012, and rural populations stabilised in their home area (39 billion CFA paid to producers from the wealth created over the same period).

# A few lessons learned…….(conclusion)

- Importance of the existence of a Producers' College which is strong, mutually supportive and responsible (strictness, regularity and results) defending the interests of the producers in the industry; … **but also of the other players, particularly creditworthy industries (e.g. Rice in the VFS)**

- Important roles of the public authorities, particularly ISRA and SAED, in being involved in defining a suitable technological package (dosages of fertiliser and pesticide per hectare), monitoring, advice and technical support, particularly assistance with calls for tender for inputs and holding the weekly CNCFT administration meeting during the production period (November–May).
- The small producers have been tougher than the 'agri-business' growers and have become very productive (average yield 40T/ha);

- And at central level, incentivising measures have been noted (adequate border protection, particularly over 30% in customs duties and taxes on imports of double tomato concentrate, but also the recent Senegalese Government decision to remove taxes on fertiliser and pesticides).

# Difficulties…..

- More suitable varieties lengthening the growing period;

- Establishment of new industries in the growing zone;

- Slow payment (after the harvests and a month after delivery-completion invoicing)