

CASE STUDY

Boosting the value of groundnuts in the Gambia



To increase the income and living standards of the rural poor in the Gambia, ITC and local partners are working with producers' groups to increase the quality and safety of groundnuts. Buyer-seller meetings organized by ITC led to an 87% increase in the sales price received by producers across the country for groundnuts in 2013.



'It is the first time in the history of the Gambian groundnut industry that the farmers could negotiate their own prices,' said Bai Ibrahim Jobe, Project Coordinator for EIF at the Ministry of Trade, Industry, Regional Integration and Employment. Farmers sold their produce at US\$ 560 per ton, up from US\$ 300 per ton in 2012.

ITC began implementing the EIF Sector Competitiveness and Export Diversification project with the Gambia's Agribusiness Services and Producers Association (ASPA) in 2012. Under the project, ITC is bringing buyers to the table and is addressing quality and safety problems in groundnuts, the Gambia's main cash crop and export product. ITC is also supporting efforts to diversify the Gambian economy by developing the sesame and cashew sectors.

ITC implemented a groundnut sector strategy in the Gambia, where nearly 70% of the agricultural labour force works in groundnut farming, handling, processing and trade. ITC also assisted in designing a strategy for sesame, which could contribute to food security, and for cashew, for which global consumer demand is on the rise.

Funded by the EIF, a multi-donor programme that helps LDCs play a more active role in the global trading system, the ultimate goal of the project is to generate additional income and employment. More than 90% of the Gambia's poor work in the agricultural sector, primarily women.

IMPROVING VALUE ADDITION AND QUALITY

According to Gambian officials, record high prices notwithstanding, more work needs to be done to further improve local value addition and quality. Lack of adherence to international quality and certification standards means that Gambian produce is typically sold as bird feed – at a steep discount compared with groundnuts that meet standards for human consumption.

'Edible groundnuts could cost up to US\$ 2,480 per metric ton, but the bird feed could only be sold at maximum prices of about [half of that],' said Aboulie S. Khan, Executive Secretary of ASPA. 'So I think we are making the least out of the sales of groundnuts.'

Quality issues relate chiefly to aflatoxin, a human carcinogen produced by mould that grows on crops stored in warm and humid conditions. African economies lose an estimated US\$ 450 million each year to aflatoxin. Domestically, aflatoxin is a major concern because groundnut products are the most



“It is the first time in the history of the Gambian groundnut industry that the farmers could negotiate their own prices.”

Bai Ibrahim Jobe, Project Coordinator, Ministry of Trade, Industry, Regional Integration and Employment, The Gambia

important source of proteins and fats for the poorest segments of the population. One study indicated that 93% of children in the Gambia had some level of exposure to aflatoxin. The bird-feed market is also at risk as safety standards are becoming more stringent.

While local value addition through small- and medium-scale processing is essential to develop the national industrial base and increase the value of exports, concerns about aflatoxin hamper efforts to increase in-country processing.

To support the revitalization of the groundnut sector, ITC organized a study tour for Gambian groundnut stakeholders in July 2013. Visits to groundnut facilities in Malawi and South Africa focused on enhanced farming and post-harvest handling techniques, logistics, processing and quality analysis. Malawi has successfully developed a profitable niche market in Europe. In South Africa, the delegation visited an accredited laboratory and advanced processing facilities.

Lessons were apparent from day one. ‘Even when we went into the field, the smallholder farmer was talking about aflatoxin. I think this is something that is really good – awareness for quality,’ said Modou Touray, EIF Programme Officer at the Ministry of Trade, Industry, Regional Integration and Employment.

TACKLING TECHNICAL BARRIERS

An effective quality and SPS infrastructure is essential to tackling the technical barriers that hinder Gambian exports of groundnuts, cashew nuts and sesame. ITC has assisted the Gambia Bureau of Standards to finalize and publish 10 national standards, including one for groundnuts and another for food hygiene. A manual for quality control of groundnuts informed the training of 44 quality-control inspectors in 2013.

Moisture meters and aflatoxin kits have been distributed to operators along the supply chains, which will help measure compliance with standards on the ground. Tarpaulins given to the National Women Farmers Association will help improve post-harvest handling of sesame.

Extensive capacity-building has resulted in the establishment of 20 Farmer Field Schools in groundnuts, cashew nuts and sesame. The Farmer Field School initiative began in July 2013 with the training of five master trainers in each sector. These master trainers then trained 40 co-trainers in each of the three sectors. By the end of 2013, 60 Farmer Field Schools had been established across the country.