THE REPUBLIC OF BENIN

Population: 10,448,647
  Urban: 4,597,405 (44%)
  Rural: 5,851,242 (56%)

Rice Availability: (g/c/d): 146
  Urban: 167-174
  Rural: ~70

Rice market:
White fragrant rice (5%-25% brokens), some home-parboiling in the north in rice production areas

Production:
  USDA, 2016: 151,000 MT
  FAO, 2011: 146,000 MT

Domestic industrial rice milling:
Estimated 18% of domestically grown rice industrially milled. 2 state-owned industrial mills with 100,000 MT paddy capacity.

Regional trade:
~75-85% of imported rice is parboiled rice re-exported (unofficially) to Nigeria through the border with Niger

IMPORTS

Number of importers:
3 large importers comprising 74% of the market; 20-30 smaller importers

Mode of imports:
20% bulk; 24% container; 56% break-bulk

Total imports
  USDA, 2016: 350,000 (net)
  UNC, 2014: 1,397,771
  FAO, 2011: 366,000 (net)

Type & Origins

<table>
<thead>
<tr>
<th>Type &amp; Origins</th>
<th>MT (% of imports)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy rice</td>
<td>3,278 (0.23%)</td>
</tr>
<tr>
<td>Brown rice</td>
<td>71,392 (5.11%)</td>
</tr>
<tr>
<td>Semi/wholly milled rice</td>
<td>195,541 (14.0%)</td>
</tr>
<tr>
<td>Broken rice</td>
<td>1,225,331 (87.7%)</td>
</tr>
<tr>
<td>Thailand</td>
<td>544,437 (44.4%)</td>
</tr>
<tr>
<td>India</td>
<td>533,437 (43.5%)</td>
</tr>
<tr>
<td>UAE</td>
<td>47,832 (3.9%)</td>
</tr>
<tr>
<td>Singapore</td>
<td>33,453 (2.7%)</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>14,759 (1.2%)</td>
</tr>
</tbody>
</table>

Sources: 1CIA Factbook 2015 2Overall estimate is FAO 2011; Urban/rural estimate are FFI estimates to take into consideration exports to Nigeria 3FAO and USDA numbers have attempted to report only net imports into Benin; UN Comtrade data on the other hand is total imports without considering re-exports. 4UN Comtrade 2014. Abbreviations: MT = metric tons, USDA = United States Department of Agriculture, FAO = Food and Agriculture Organization, UNC = UN Comtrade, UAE = United Arab Emirates
THE REPUBLIC OF BENIN

EXECUTIVE SUMMARY

Maize is considered the traditional primary cereal grain in Benin (110 g/c/d), but in recent years rice availability has (146 g/c/d). Maize and tubers are more important starches in the rural farming diet than in urban areas. Net imports and domestic production of rice have been stable in recent years.

Industrial rice milling in Benin is minimal – instead, domestic paddy production is usually exported to Nigeria to feed demand there. The rice importing industry is predominantly composed of four or five companies importing rice in bulk. However, as 75-85% of the rice imported to Benin is parboiled, not the white rice consumed in Benin, it is likely the entirety of parboiled rice is re-exported to Nigeria, transiting through Niger. This allows importers to avoid Nigeria’s high import duties and periodic bans on imported rice.

Given the porous borders with Benin and Niger, rice fortification policies in Benin must consider its neighbors (and vice versa). Imported fortified rice could be a potential opportunity to improve health and can be expected to primarily benefit the urban population, which is slightly less than half of the total population (44%). Fortified rice will have limited penetration into the rural population consuming domestically grown maize, tubers, and limited amounts of locally milled rice.

Table 1: Demographics and annual rice availability (milled equivalent)

<table>
<thead>
<tr>
<th>Population</th>
<th>Urban</th>
<th>Availability (MMT)</th>
<th>Imports (MMT)</th>
<th>Exports (MMT)</th>
<th>G/c/d</th>
<th>Production (MMT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.4 million</td>
<td>44%</td>
<td>0.521</td>
<td>0.350</td>
<td>0</td>
<td>146</td>
<td>0.151</td>
</tr>
</tbody>
</table>

2011-2016 trend:

+2.8% per year | +4.12% | +5.5% | +8% | -- | -- | +1.2%

G/c/d: grams per capita per day; MMT, million metric tons

1 CIA Factbook
2 FAO Food Balance Sheets, 2011
3 USDA, 2016 (via Indexmundi)

GRAIN CONSUMPTION AND FORTIFICATION STATUS

The most important cereal grains in Benin are maize and rice. FAO 2011 estimates average per capita rice availability at 146 daily (g/c/d), or 53 kg annually (kg/c/yr). Although FAO estimates of availability deduct grains used for seed, feed, and waste, it is not clear how re-exports or paddy exports to Nigeria are taken into consideration, as FAO does not report any official exports of rice (milled or paddy). USDA 2013 estimated that 75% of rice production in northern Benin is exported to Nigeria. If subtracting 70% of domestically grown rice as paddy exported to Nigeria, actual rice availability per capita could be 20% lower (10 kg per person less per year, or 118 g/c/d).

1 USDA Foreign Agriculture Service, Benin Coarse Grains and Rice Report. 2013

Maize meal is still considered the main staple cereal, although FAO estimates indicate that rice rivals its importance (Table 2) and availability has decreased 50 g/c/d compared to 10 years prior. Concurrently, rice availability has exploded to now rival maize, favored for its convenience and easy preparation\(^1\). In the south, a stiff maize/plantain porridge called “fufu” is commonly eaten with meals. Since maize is grown in higher quantities than rice (1.3 MMT vs. 0.151 MMT\(^3\)), there is likely a wide urban/rural consumption difference between the two grains. However, no data is available on dietary consumption patterns between urban, rural or other subgroup populations.

Other important starch sources are cassava, yams, and sorghum\(^2\). Consumption of wheat flour is low, 24 g/c/d\(^2\).

### Table 2: Cereal grain consumption/availability and fortification status

<table>
<thead>
<tr>
<th></th>
<th>FAO 2001(^1) g/c/d</th>
<th>FAO 2011(^1) g/c/d</th>
<th>Mandatory?(^2)</th>
<th>% Industrially milled(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>19</td>
<td>24</td>
<td>Yes</td>
<td>100%</td>
</tr>
<tr>
<td>Maize</td>
<td>165</td>
<td>110</td>
<td>No</td>
<td>Unknown</td>
</tr>
<tr>
<td>Rice</td>
<td>39</td>
<td>146</td>
<td>No</td>
<td>&lt;20%</td>
</tr>
</tbody>
</table>

G/c/d: grams per capita per day

1 FAO Food Balance Sheets
2 FFI Database

**Urban**

Benin’s population is 44% urban. Interviewed sources indicated that the urban population consumes more rice and wheat flour and less maize meal and root crops (e.g. cassava and plantains) than rural dwellers. If it is estimated that 80% of the imported white rice is consumed by the urban population, with little consumption of domestically grown rice, rice consumption in urban areas could be estimated at 167-174 grams daily.

**Rural**

Both domestically produced and imported rice is consumed in the countryside. Consumption of imported rice over domestically grown rice is more likely in the south, where less rice is grown and the main food is fufu. In the south a large number of farm households grow cash crops like cotton, cashews, cocoa, and coffee while they buy rice and other imported foods.

Assuming the rural population consumes approximately 20% of rice imports and 30% of the domestic crop (approximately 115,000 MT), this translates to estimated average consumption by the rural population as 70 g/c/d.

**Rice varieties and quality**

According to a high-volume rice importer, Benin consumers prefer imported, old crop white rice. Old crop rice is preferred for its greater water absorption (relative to new crop rice), providing larger volumes after cooking. Niger and Togo have the same preference for old crop rice. New crop does not sell well in any of the three countries. There is some demand in Benin for imported parboiled basmati rice, but the bulk, if not all, of imported parboiled (Thai) rice is re-exported to

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\(^1\) FAO Food Balance Sheets
\(^2\) FFI Database
\(^3\) USDA 2016, via Index Mundi. http://www.indexmundi.com/agriculture/?country=bj&commodity=milled-rice
Nigeria through unofficial channels. Both urban and rural consumers prefer fragrant rice despite the price premium\(^1\), with percent brokens ranging from 5\% to 25\%. Unlike in other West African countries (e.g. Senegal, Gambia), there is no large demand for 50\% or 100\% brokens. UN Comtrade data indicates that in 2014, 87.7\% of the rice imported into Benin was broken rice (percentage not stated), versus 7\% white milled rice\(^4\).

Although considered healthier, domestic rice is perceived as a lower quality substitute for imported rice; a USDA 2013 report described local rice as “peculiar” tasting\(^1\). Although the preference for imported rice is white fragrant rice, domestically grown rice in the north is parboiled for use in a local rice and bean dish called “atassi”. Parboiling paddy rice has traditionally been a household-level activity, but now some farmer groups have shared parboiling facilities.

**DOMESTIC RICE PRODUCTION**

**Table 3: Benin cereals production - 2016\(^1\)**

<table>
<thead>
<tr>
<th>Cereals (MMT)</th>
<th>Maize</th>
<th>Sorghum</th>
<th>Millet</th>
<th>Rice (milled)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3</td>
<td>0.110</td>
<td>0.025</td>
<td>0.151</td>
<td></td>
<td>1.586</td>
</tr>
</tbody>
</table>

\(^1\) USDA, 2016 via IndexMundi

**Table 4: Benin rice production, 2012-2016 (MMT) \(^1\)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.14</td>
<td>0.132</td>
<td>0.15</td>
<td>0.151</td>
<td>0.151</td>
<td>0.145</td>
</tr>
</tbody>
</table>

\(^1\) USDA, 2016 via IndexMundi

**Production, area and yields**

Milled rice constitutes less than 10\% of total cereals production but is still more than sorghum and millet. Maize is by far the main cereals crop with 80\% of the total 2015 harvest for grains (Table 3).

Rice is grown throughout Benin but concentrated in the Oueme/Plateau (southeast, bordering Nigeria), Borgou/Alibori (northeast), Zou/Collines (south-central), and Mono/Coffo (southwest, bordering Togo) departments\(^1,5\). The two communes with highest rice yields are Malanville in the north and Glazoué in central Benin. Rice grown in Malanville is irrigated and is able to produce two crops per year. In smaller areas lowland rice (riz de bas fonds) is produced in lesser quantities. Total planted area for rice from 2012/13 was 66,000 ha and has remained level since 2010\(^1\). Yield is relatively low, 1-2 MT/ha, which the government attributes to sparing use of high-cost fertilizer\(^1\). Expansion of planted area depends on major investment in land preparation and/or irrigation systems, including dams and canals.

Rice production has increased steadily since the 1990s and early 2000s - from 22,000 MT in 2000 to 80,000 MT in 2010, and peaking at 151,000 MT in 2015. Since 2011 production has


\(^5\) The first subnational administrative division is referred to as départements (equivalent to a state or province), which are then further divided into communes.
somewhat plateaued, remaining between 140,000-150,000 MT annually. The increases are attributed to development of new irrigated land for rice in a few of the rice production zones.

Farmers still prefer to grow cotton, cashews, shea, pineapples, and some cocoa and coffee as export cash crops\(^6\).

*Urban distribution*

There is very limited urban distribution of domestically grown rice through a network of government stores operated by the state grain reserve agency, *Operation Nationale de Securite Alimentaire*\(^7\) (ONASA). As of December 2015, ONASA’s price for 50 kg of rice (5 bags of 10 kg) was 24,000 CFA (41.74 USD)\(^8\). It’s likely that sales volumes of domestically grown rice are no more than 5% of all urban consumption.

Even though local rice production has increased more than three-fold compared to a decade prior, the impact on the local market is not noticeable because almost all increases in paddy production supply the large demand for paddy from Nigerian mills. Nigerian mills are willing to pay more for paddy due to higher prices for all rice in Nigeria (due to high import duties to protect local production). Additionally, there are no import duties on agricultural products exported from Benin to Nigeria. Industrial rice milling capacity in Nigeria is underutilized due to inadequate local production.

*International support*

*Entreprises, Territoires et Developpement* (ETD) is an NGO in both Togo and Benin undertaking projects since 2003 to help farmers improve their crops. The website lists eight donor organizations, the three largest being European Union, World Bank and International Fund for Agricultural Development (IFAD).

ETD sets up small agricultural enterprises so smallholder farmers can gain market access by adding value and commercializing their production. They are called *Entreprises de Service et Organizations des Producteurs* (ESOP). In total there are 51 ESOPs - 35 in Togo and 16 in Benin. The 35 ESOPs in Togo include 17,000 producers.

All are organized into groups to receive seed and fertilizer on credit as well as technical support. The ESOP purchasers are trained agronomists.

In Togo, 15 ESOPs produce rice, including two that specialize in rice seed. No information was obtained how many of the 16 in Benin are involved in rice production. Togo has its own brand of rice called “Delice”. The 15 ESOPs produce a total of 2,500 to 3,000 MT of rice per year. Ten of the 15 ESOPs have storage facilities. The 15 rice ESOPs in Togo include 10,000 smallholders with 0.25 ha to 2 ha each. Benin likely follows the same model.

One longtime rice importer, *Ste. Difezi et Fils Sarl* (Difezi) has its own farm where it has been experimenting with production of different rice varieties. In particular it is testing various Nerica

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\(^7\) National Office of Support to Food Security

\(^8\) OANDA May 2015 FCFA-USD conversion: 575 FCFA=1 USD. [https://www.oanda.com/currency/_converter/](https://www.oanda.com/currency/_converter/)
varieties (1, 2, 4, 5) developed by AfricaRice, which has a research center in Benin. The Nerica varieties do not perform equally well in all parts of the country. There is an effort to introduce new rice varieties that tolerate flooding.

Some farmer groups in the north now have shared parboiling facilities thanks to EU funding for the small boilers and drying platforms or tarpaulins to spread rice on the ground. Belgian international development agency CTB is particularly active in supporting rice cultivation.

**IMPORTED RICE INDUSTRY**

Rice and wheat are Benin’s top two imported food commodities. Imported rice volumes have been as high as 1.5 MMT in 2014, but at least 1.1 MMT were expected bound for Nigeria. In 2015, total volumes of imported rice were estimated at approximately 1.2 MMT (estimated that 85% was re-exported to Nigeria).

Net import volumes for Benin are estimates because much of the outward regional trade is illegal and goes unrecorded. USDA has estimated the net import volumes for Benin as 350,000 MT in each of the last four years, and FAO estimated 366,000 MT in 2011.

**Table 5: Annual rice import volumes (net)¹, 2012-2016 (MMT)**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice imports</td>
<td>0.35</td>
<td>0.35</td>
<td>0.35</td>
<td>0.35</td>
<td>0.35</td>
<td>0.35</td>
</tr>
</tbody>
</table>

¹ USDA via IndexMundi

**Rice origins**

According to UN Comtrade’s 2014 records, including rice re-exported to Nigeria, the primary origin countries for rice coming into Benin’s Port Cotonou are India and Thailand (1.2 MMT, or 86% of the rice import market). Also listed as rice origins are 23 other countries, with smaller quantities of rice totaling 132,000 MT. Because of the high volume, cross-border trade with Nigeria, it is not possible to identify which rice origin countries are specifically providing for Benin. The large importer Difezi reported sourcing rice mainly from three origins: Thailand, Pakistan and India. Since 2004 Difezi has imported some rice from Brazil as well. The company used to buy rice from China until it imposed high export duties.

**Mode of imports**

Vessel loads of rice are mostly break-bulk. The port authority reported that during 2015, about one bulk rice vessel of 20,000 MT per month arrived (often from South America), in addition to three to four vessel-loads of break-bulk rice per month. These account for about 70% of incoming rice while containerized shipments contribute another 30%. Thus, if 240,000 arrives in bulk from Latin America (which is not in agreement with historical UN Comtrade data) a year, then the remainder is approximately 720,000 MT in break bulk and 240,000 MT in containerized shipments.

Bagging service providers like R&K and Nectar International (UK) operate at the port for bulk shipments. When bagged at the port, rice is put in 50 kg polypropylene bags to facilitate long distance truck shipments.

Due to superior road conditions, most of rice imports pass from Benin through Niger for onward
shipment to Nigeria, with fewer transports going to Nigeria directly. Most of the rice importing companies are Nigerian – few Beninese companies import.

Imports rice storage

Among the major importers, Difezi is the only one to hold large stocks of rice in the port’s free zone. This practice enabled it to supply WFP rice for shipment to other countries during the Ebola pandemic of 2014-2015. Most of the imported rice spends a relatively short time in wholesalers’ warehouses in the city. Because importers are wary of dealing with traders who may be operating in illegal land-border exports, wholesalers broker the deals between importers and traders and buy on a back-to-back basis (i.e. wholesalers only purchase rice already promised to traders).

Collateral management companies like SGS and DRUM Commodities control some of the rice stored at the port on behalf of banks and large exporters. The port of Cotonou contains storage facilities with 100,000 m² worth of warehouses, a 15,000 m² container park, and paved open space storage covering 60,000 m². There are also silo tanks with 11,000 MT combined capacity. As the port several landlocked neighbors, there are also free zone warehouses for Niger, Mali and Burkina Faso.

Rice importers

Industry data estimates that about 75% of all Benin rice imports is controlled by four companies that import rice by the vessel or container. An estimated 20-30 additional smaller companies import rice as container shipments, much of it bound for Nigeria. The food importers association (discussed below) has 45 members, the majority of whom probably import rice along with an assortment of products.

Difezi, a local Beninese importer that has been importing rice for 35 years, claimed about 25% of the imported rice market in 2015. The Difezi market share was 70% ten years ago, but it now faces significant competition from new international companies, such as Stallion Group. Stallion Group’s Benin subsidiary, Sonam, now has about 20% market share. Stallion and Sonam’s parent company, Platinum Corporation, is based in Dubai but owned by Indian nationals, which allows it to benefit from Indian government support to Indian companies. A relatively new company, Africa Agro Food, is now the largest rice importer with 30% market share.

Ste. ABC Enterprise only imports parboiled rice for Nigeria but reported that volumes have decreased a great deal due to the devaluation of Nigeria’s currency. In December 2015 the company reported importing 5 to 10 containers per month (estimated 100-200 MT), and no bulk vessels. At a maximum it imports 10,000 MT per year.

Leading businesses import both white rice for the Benin market and parboiled rice for the Nigerian market. More research is needed to differentiate the Beninese and Nigerian rice trade.

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9 In a free-trade zone, imported goods are duty-free until officially entering the domestic marketplace. This facilitates re-export of rice because rice held in the free-trade zone does not pay Benin duties.
http://dlca.logcluster.org/display/public/DLCA/2.1.1+Niger+Port+of+COTONOU#id-2.1.1NigerPortofCOTONOU-PortPicture
11 Containers hold on average 20-24 MT of grain.
but sources lack transparency. Reportedly a lot of “hidden companies” are involved in rice imports in Benin.

Table 6: Major rice importing companies in Benin

<table>
<thead>
<tr>
<th>Company</th>
<th>Headquarters</th>
<th>Import share (MT)</th>
<th>Local milling capacity?</th>
<th>Other notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa Agro Food</td>
<td>Pan-African Lebanese group</td>
<td>360,000 (30% market)</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Ste. Difezi et Fils Sarl.</td>
<td>Cotonou</td>
<td>300,000 (25% market)</td>
<td>Planned</td>
<td></td>
</tr>
<tr>
<td>Sonam</td>
<td>Stallion Group, Dubai</td>
<td>240,000 (20% market)</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Ste. ABC Enterprise</td>
<td>Dubai (unconfirmed)</td>
<td>10,000 (~1% market)</td>
<td>No</td>
<td>Containerized for Nigeria</td>
</tr>
<tr>
<td>20 to 30 companies</td>
<td>--</td>
<td>290,000 (24% market)</td>
<td>--</td>
<td>Mostly in containers</td>
</tr>
</tbody>
</table>

1Industry interviews; Import quantities in MMT calculated based off of reported % market share, using an expected total 1.2 MMT import volume

GOVERNMENT RICE POLICIES AND PROGRAMS

The government’s rice policy aimed for self-sufficiency by 2015 (385,000 MT), with plans to export by 2018. As of 2016, rice production is still more than half of domestic requirements. Toward this goal, the government built a number of irrigation dams and has plans for more. The Niger River dam has resulted in flooding of some areas in the north.

ONASA buys and stores domestic maize and rice and resells them at subsidized prices through a network of around 100 proprietary stores. At least one store is in all 77 of the country’s communes. WFP occasionally procures grains from ONASA. ONASA’s focus is intervention buying, entering the market to stabilize prices when production is too high. It does not appear to hold large supplies of grain, reporting only a few thousand tons of cereals at any time.

Mainly WFP buys cereals from another state-owned enterprise called SONAPRA (Societe Nationale de Production Agricole), which is responsible for the distribution/sale of seeds, subsidized fertilizer, and insecticides. SONAPRA itself is not a rice producer, but operates two rice mills. In addition to selling farming inputs, SONAPRA provides technical support to farmers; farmers provide rice and maize as repayment. SONAPRA’s also focuses on cotton.

Import duty on rice in Benin is 12.5%. By comparison, Nigeria’s import duty has ranged from 30%-70%, with outright bans intermittently between 2011 to present, to protect the domestic rice industry. Since the election of President Buhari in 2015, Nigeria has reauthorized rice imports (duties 35%13), only to ban them again as of March 201614. The government has also reportedly

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14 Vanguard. Customs re-imposes ban on rice importation. March 2016. http://www.vanguardngr.com/2016/03/customs-re-
pressed importers to buy more local rice and invest in milling. However, importers report that little surplus paddy is available for local milling since exporting paddy to Nigeria is more price-competitive.

RICE MILLING

Village milling
Benin has limited commercial agriculture processing facilities in general, including for rice. Thus, it’s likely that the bulk of the domestically grown and consumed rice (est. 50,000 MT, milled equivalent) is processed in village husking mills, or in even more remote areas, manually. Assuming 100 MT of milled rice are produced per year, there could be 500 village husking mills. Subsistence farmers use small one-pass mills to toll-husk their rice, paying in cash or in-kind.

Small enterprise milling
There are no small enterprise mills in Benin.

Industrial milling
No large private commercial rice millers operate in Benin, however as of December 2015 there were reports of a newly constructed, not yet operating Chinese-made rice mill in Malanville in northern north Benin. Its capacity is unknown.

There is no private investment in industrial milling due to lack of paddy rice supply and the relatively high price for paddy paid by SONAPRA. Farmers are obligated to sell rice to SONAPRA after receiving subsidized fertilizer and seed on credit.

Despite lack of paddy availability, Difezi reported working with Buhler to plan its own rice mill in 2016. Previously it negotiated to lease one of the government mills, with plans to improve the equipment (particularly the polishing unit) and add a boiler, cooler, and dryer to automate parboiling. However, given the challenges with procuring sufficient paddy, the Difezi current stance is that the milling investment relies on the government committing to changing practices around subsidizing rice sold through SONAPRA and ONASA; Difezi may ask the government to withdraw from rice milling entirely.

SONAPRA operates two rice mills, each with capacity of 150 MT of paddy per day (100,000 MT of paddy combined annually), as part of its program to support local rice production through distribution of seed and fertilizer (Table 7). These two mills were purchased around 2010 and are located in Malanville and in Glazoué.

According to a rice importer source, the SONAPRA mills operate inefficiently and have poor extraction rates. There is no separation and cleaning in the mills, and the rice is not polished properly – making it difficult for domestically milled rice to be quality-competitive with imported rice.

Production figures were not available from SONAPRA directly. If it is estimated that the SONAPRA mills run at 50% capacity (50,000 MT of paddy) with 60% conversion, then the

imposes-ban-rice-importation/
mills may produce 30,000 MT of milled rice, or 20% of domestic milled rice production.

For the last six years, SONAPRA has been paying farmers 90 days after delivery of their paddy. Because it has little working capital, SONAPRA must wait for ONASA to sell the rice through its retail depot network before it can pay the farmers. As a result of the delayed payments, many rice farmers (who have the means to purchase inputs outside of SONAPRA credit) prefer to sell to Nigerian traders at 100 CFA cash per kg paddy (174 USD/MT) versus the SONAPRA price of 170 CFA per kg (295 US/MT) paddy.

Table 7: Industrial rice millers in Benin

<table>
<thead>
<tr>
<th>Company</th>
<th>Mill location</th>
<th>Capacity</th>
<th>Farm</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONASA/SONAPRA (State enterprises)</td>
<td>1, Malanville 1, Glazoué</td>
<td>100,000 MT paddy per year, combined</td>
<td>No</td>
<td>Installed in 2011/12. Low utilization and subsidized.</td>
</tr>
</tbody>
</table>

1 Industry interviews,  
2 Ekpodilè et al 2015

Domestic rice storage
SONAPRA and ONASA both have a network of warehouses for storage of the paddy received from farmer groups and the milled rice sold through ONASA’s network of stores. Storage capacity is around 10,000 MT of paddy in bags, but this needs confirmation.

WHOLESALE AND RETAIL TRADE

Wholesale
The major importers bring in both white and parboiled rice. Local wholesalers purchase the white rice for domestic distribution, and repack it into 25 kg bags for retail sale. Wholesalers also buy parboiled rice and sell it to Nigerian traders who manage the truck transport and cross border shipments to Niger and Nigeria.

Retail
Retailers buy 50 to 100 bags of rice at a time from wholesalers. A few retailers have the capital to purchase many as 1000 bags at a time. In 2013 the price for domestic rice was CFA 393/kg ($0.77), compared to CFA 532-612/kg ($1.04-$1.20) for imported white rice.

Rice purchases in Benin largely still take place at traditional open-air markets. Imported rice is readily available in traditional open-air markets whereas availability of domestically grown rice is limited geographically to rural markets in rice production zones (outside of ONASA operated stores). One major super/hypermarket (Erevan), based in Cotonou, imports 90% of its products from France.

WORLD FOOD PROGRAMME
WFP activity in Benin is mainly logistics in support of operations in Mali, Niger and Burkina Faso. Rice and other food commodities are available to WFP in storage at the Port of Cotonou under WFP’s Forward Purchase Facility, for delivery to Niger in particular.

The national school-feeding program is supported financially and logistically by WFP, although
the government reportedly finances a portion of the food. Included in the food basket is local maize, local beans, and imported or local rice. WFP has only recently introduced rice into its school feeding programs throughout West Africa. WFP buys maize and rice from ONASA under tenders, or maize from SONAPRA.

WFP Benin has a short list of ten local companies who are invited to participate in rice tenders. They are all registered in WFP’s “In-Tend” (international tender) program.

Generally, in Benin local rice is cheaper than imported rice. However for emergencies WFP purchases imported rice due to larger volumes available, in the range of 5,000 to 10,000 MT.

WFP hands over the food for school feeding to government warehouses managed by government employees and monitors the whole operation. It relies on a superintendent for inspections and to control dispatches and deliveries.

Because of the large volumes available in storage at the port of Cotonou, WFP Regional Bureau made emergency purchases of rice from Difezi and others for supply to the countries affected by the Ebola crisis. Difezi first shipped parboiled rice to WFP-Guinea 5 years ago, indicating a long history of WFP rice supply from Benin to Guinea.

For shipments from Benin to Sierra Leone and Guinea, WFP minimizes handling by packaging 50 kg bags into one ton “big bags” holding 20 bags of 50 kg each.

**REGIONAL TRADE**

The flow of rice imported from major Asian origins to Benin for onward shipment to Nigeria is a key component of regional rice trade in all of West Africa. The major four businesses import by the vessel, in bulk or break-bulk. They sell this rice to local wholesalers who sell from their warehouses in Cotonou to the Nigerian traders who buy by the truckload for shipment.

Port of Cotonou statistics show about 2.4 MMT of cereals arriving at the port in 2014, over half of which is rice. USDA data show about 700,000 MT of net rice and wheat imports\(^1\). Therefore about 1.7 MMT of grains, almost all wheat and rice, were transited to neighboring countries. Rice made up over two-thirds and wheat the other third.

In addition to lower duties, another reason for the large volumes of cereals transited through Benin is quicker turnaround at the port and a good highway to the north, with less congestion than in Nigerian corridors out of Lagos.

Shippers Council of Niger data shows 1.2 MMT of rice transported from the Port of Cotonou to Niger in 2014 but just under 900,000 MT in the first 11 months of 2015, so volumes to Niger are likely to be down 25% for all of 2015. This is attributed to decline in demand from Nigeria and also the end of the rice ban in 2015.

The southern border between Cotonou, Benin, and Lagos, Nigeria, was re-opened to rice imports in November 2015 after a lower duty on rice land-crossings into Nigeria was put in place. At a lower duty, rice is still entering Nigeria through unofficial land borders but at lower quantities. Rice is by far the most important commodity for the Benin Food Importers Association.
(Association des Importateurs des Denrees Alimentaires). One of the main activities of the association is to lobby the Nigerian government on its rice import policy. There are 45 members in the association, up from just 15 members four years ago when it was formed. The association has close ties with Difezi - the president is a colleague of Madame Karimou Affoussatou, the founder and owner of Difezi, and her son, Sanny Moukaila (managing director of Difezi), is secretary of the association. The association maintains an office in the Cotonou market district and meets four times per quarter.

REGULATORY MONITORING
The Benin Food Safety Agency (ABSSA) is the governmental body in charge national standards.

Relatively little regulatory control is exercised over imported rice or domestically produced rice, aside from collection of import duties. Little perceived health or food safety threat comes from rice processing and distribution.

RICE FORTIFICATION – SWOT ANALYSIS

Strengths
- Rice fortification would primarily benefit the urban population who consume the bulk of the imported rice (168 g/c/d) that remains in Benin.
- The urban population consumes almost 100% imported rice, 75% of which is brought in by just four companies.
- Imported rice is mainly from India and Thailand which could potentially facilitate sourcing of fortified rice.
- Mandatory wheat flour fortification already exists, suggesting that stakeholders are aware of potential public health benefits of fortification.

Weaknesses
- Fortification of imported rice would require official recognition of how to treat the large volumes of rice traded to Nigeria from Benin.
- The rural population primarily consumes foods that are not industrially milled – small mill fortification of the locally grown maize and rice is not feasible. It is estimated that 80% of local rice is husked in small village mills.

Opportunities
- If the Benin government required and monitored fortification of all imported white rice (including parboiled), then Nigeria would also receive fortified rice.
- The existing wheat flour fortification program could be assessed for implementation and health impact; consumption patterns of cereal grains across the country would inform expected impact of other fortification vehicles and assist in targeting any subpopulations.
- The growth of domestic industrial milling should be monitored to assess future opportunities for fortifying domestically grown rice.

Threats
- A seemingly opaque rice importing industry, with “hidden” companies and lack of available, transparent data on imports.
Appendix 1. RICE INDUSTRY CONTACTS

BENIN RICE CONTACTS

Organization
Association des Importateurs de Denrees Alimentaires
(Food commodities importers association)
Cotonou, Benin
Sanny Moukaila, Secretary
Mobile +229 21 31 06 08
mouksane@difezi.com

Company
Ste. Difezi et Fils Sarl.
C/388 Nouveau Pont
06 B.P. 2024
Cotonou, Benin
www.difezi.com
Date of meeting: Dec. 3, 2015, 12 pm
Sanny Moukaila, managing director
T: +229 97 97 50 73 / M: +229 21 31 06 08
mouksane@difezi.com
Madame Karimou Affoussatou, founder / owner (not present)

Company
Ste. ABC Enterprise
Avenue Steinmetz
01 B.P. 951
Cotonou, Benin
Date of meeting: Dec. 2, 2015
Gopal Rai, Commercial Director
biz@abcbenin.net
T: +229 21 31 32 65 / M: +229 97 25 28 44

Organization
Port Authority of Cotonou (PAC)
Cotonou, Benin
www.portdecotonou.com
Jean Akobi, marketing department
+229 97 35 89 02
akobijean@yahoo.fr
Appolinaire Vissienon, Direction Generale et du Marketing
Tel +229 21 31 28 90 / +229 21 31 52 80

Organization
Chambre de Commerce et d’Industrie du Benin (CCIB)
Cotonou, Benin
Date of Meeting: Dec. 2, 2016
Mr. Razack Essoufou, Directeur d’Appui d’Entreprise
Mobile +229 97 48 40 43
razacky@yahoo.fr

Organization
Conseil Nigerien des Utilisateurs des Transports Public (CNU)
Songo quartier
Cotonou, Benin
Office +229 21 32 38 55
Date of meeting: Wednesday, Dec. 2, 2015
Chaibou T. Attahy, Representant
attahy@yahoo.fr
Cell +229 64 74 94 60 or +229 97 07 46 60

Organization
Operation Nationale de Securite Alimentaire (ONASA)
Cotonou, Benin
Tel +229 21 33 15 02
Date of meeting: Dec. 3, 2015, 10:30 am
Aimee D. Houhozoukoum, Supply department
T: +229 21 33 15 02 / M: +229 97 95 71 66
rohouna@yahoo.fr

Organization
World Food Programme (WFP)
Cotonou, Benin
Donatien Ogounchi, Logistics officer
Mobile: +229 97 86 68 38 / 229 95 96 33 21
donatien.ogounchi@wfp.org

Organization
Entreprises, Territoires et Developpement (ETD) (NGO supporting rice and maize smallholders also in Togo. Meeting with director in Lome, Togo but not Benin)
ETD Cotonou,
Quartier Fifadji,
Cotonou, Benin
Anick Kemonou, director
+229 97 89 42 77 / 229 21 15 95 47

ETD Lome
Komi Abitor, Director General
Lome, Togo
Mobile +228 925 94 220 or +228 225 19481
Benin mobile +229 9348927
kabitor@etd-ong.org