Successful inculsion of Smallscale Farmers in upgrading value chains: Rice and Milk in the Senegal river Valley

## **OBJECTIFS**

The SISFUV project aims to identify the impact of contract selling on the income and food security of small-scale producers in the Senegal River Valley.

# **ACTIONS**

The objective is achieved through a combination of quantitative and qualitative approaches:

Conducting a cross-sectional survey of 607 rice farmers Estimation of the impact of the contracts by parametric (instrumental variable) and non-parametric (Propensity Score Matching) modelling. The income or food security of a "treated" group (selling by contract) is compared to a "control" group (selling by negotiation).

Discussions of the estimate with producers, and research and development partners, to identify impact pathways.

## **RESULTATS**

The project results contrast with the literature, which states that contracts improve producers' income. The marketing contract does not have a significant effect on producers' incomes since it does not allow them to access more productive inputs than those obtained through negotiation, nor to sell at a higher price. The production contract has a negative effect on producers' incomes since it includes an implicitly high cost of interest and credit insurance. On the other hand, producers who sell by contract also use selling by negotiation, which increases their profit. Finally, the marketing contract improves the food security of producers, since it mitigates price seasonality, which confirms the few researches including this indicator.

#### **PERSPECTIVES**

The transformation of the Senegalese rice value chain still needs to be questioned. Agribusiness investments can impact on the sustainability of agricultural practices and access to land for small-scale producers. Similar processes also seem to be underway in other African countries.

#### Responsable:

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