Entente develops the production of rice seeds as a cooperative.

Project information

Project code	L 2 (2023)
Sector	Agriculture & Food industry
Funding	Loan
Country	Senegal
Location	Kataba District
Origin	SusTech4Africa Senegal 2021

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The entreprise

ENTENTE is a cooperative that operates according to the principles of a GIE (Groupement d'Intérêt Economique). It is the emanation of 15 village groupings with a total of 1,275 producer members.

This cooperative already has:

- A management team that has demonstrated its skills and management abilities;
- A network of producer-suppliers who are members of the cooperative and have opportunities for growth on their land;
- An experienced and dynamic team that has a good command of the production, processing and marketing of seeds;
- A strong network of partners.

In addition, ENTENTE already operates with a recognized and strong financial partner in the context of a formal agreement, namely the Banque Agricole.

The business project

The project focuses on the expansion of rice seed production in southwestern Senegal through the adoption of climate resilient and intelligent agriculture, leading to a 130% increase in production.

To achieve this, the cooperative has to invest in the purchase of quality seeds and acquire 3 machines called seed threshers.

Through this project, ENTENTE plans to train a large number of farmers on technical rice production itineraries, fertiliser use techniques, phytosanitary treatment and seed labelling processes. It will organise community awareness sessions and training for producers on good and new agricultural practices.

The supply strategy for agricultural products will focus on "small" producers, family structures that carry out the following tasks: planting and harvesting, processing, packaging and intermediate storage of the products.

The staff directly involved in this additional activity comprises 18 people: 1 coordinator, 1 project manager, 1 accountant and 15 agricultural technicians.

The project will benefit from ENTENTE's existing structures allowing for a quick start of the production expansion.

The objective of ENTENTE is to respond to the main societal challenges in Senegal:

- Reduction of poverty and rural exodus: emigration and urban concentration with its consequences, and encourage sedentarization;
- Improvement of food security, sovereignty and self-sufficiency by avoiding imports and promoting local production. In this context, promotion of youth entrepreneurship;
- Promotion of women's employment;
- Resilience to climate change.

Why OVO believes in this project

The promotion of agriculture is a government priority and responds to a need in Senegal as highlighted in a report by the International Fund for Agricultural Development (IFAD) published in 2021.

ENTENTE has proven experience in the system of rice intensification, or SRI, that it intends to adopt as part of this

project aimed not only at adapting to climate change but also, and above all, at increasing rice production and productivity throughout the Kataba 1 district.

The project is in line with OVO's objectives in terms of sustainable development:

- **Environment:** recovery of processing waste for animal feed, reuse of packaging, cleanliness of processing platforms and crops, no use of chemical fertilizers, management of various wastes throughout the value chain;
- **Reduction of poverty and rural exodus and resilience to climate change:** by increasing and securing producers' incomes through technical support, training in agricultural practices and access to seeds adapted to climate change, access to index insurance (insurance in case of insufficient rainfall);
- **Improved food security**: food self-sufficiency by avoiding imports and enhancing local production;
- **Decent work:** guarantee of stable and well-paid jobs;
- **Promotion of entrepreneurship**: objective of training 15% of producers up to the age of 35;
- **Promotion of women's employment**: target to train 45-50% women;
- **Employee safety** through procedures and choice of appropriate equipment and tools;
- **Product quality:** procedures and control of the value chain.

Requested investment

The necessary budget is estimated at € 109,000 and will be financed by a € 10,000 grant from the producers, a € 31,000 loan grant from OVO and a € 68,000 bank loan.

OVO supports the **purchase of seeds and 3 seed threshers** for an amount of **€ 31,000**.

The loan from OVO is repayable over two years in half-yearly instalments of interest and capital, with an 18-month grace period for the first capital payment.

This loan will be provided by OVO at an interest rate of 7% per annum, half from Business Angels and half from Crédit Sud.

Topic

- Income generating
- Sustainable
- Women
- Safe food
- Young people

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