



SFA

(Sénégalaise des
Filières Alimentaires)

**in the rice
value chain**

SENEGAL

**The key role of
diversified services
to smallholder farmers
in the economic models
of agricultural SMEs**



napshot

... **seeds of agri-SMEs**



La Sénégalaise des Filières Alimentaires

Since 2013
Saint-Louis, Senegal

IMPACT INVESTOR



SCALE & REACH

32

employees (in 2025)

4,000

smallholder farmers
suppliers (in 2025)

GROWTH HIGHLIGHTS

Reached break-even
point in 2021

PRODUCTION CROP

Rice

(cereals and grains)

ROLE IN THE VALUE CHAIN

Processing

TARGET MARKET

Local market

(Senegal)

SFA in the rice value chain

• • • in Senegal

Context

Rice is a major staple in Senegal today, as it is for Western Africa, and yet cultivation remains limited. Despite efforts to boost local rice production, Senegal still imports about 60% of its rice from Asia to meet its growing demand. Most rice production occurs in the Senegal River Valley in the northern region, where it is cultivated under intensive and irrigated systems.

The main challenge in the local rice value chain is **the low yields compared to the potential output achievable on the same land**. Although the local production of rice increased dramatically in recent years, from over 470,000 tonnes in 2012 to over 1.4 million tonnes in 2022, the local rice production remains insufficient to meet the local demand.¹ Smallholder farmers are sceptical to change their cultivation practices making it hard to adopt best farming practices to increase yields and outputs, especially when they do not see the results or advantages. Their practices follow family tradition and what they have learnt across generations. For instance, smallholder farmers tend to use more seeds per hectare than the recommended amount, while too many seeds often attract insects, reducing the production.

The position of SFA in the rice value chain

Within the local rice value chain, **La Sénégalaise des Filières Alimentaires (SFA)** primarily positions itself as a key processor, transforming paddy rice into white rice. Beyond processing, it also plays a leading role in structuring an inclusive rice value chain by engaging both upstream and downstream. In particular, it collaborates closely with smallholder farmers in the cultivation process and establishes partnerships with semi-wholesalers to boost rice sales in the local market. In addition, it provides tailored financial and agro-economic training to smallholder farmers, particularly to lead farmers, who act as intermediaries between SFA's staff and producer groups, facilitating communication and relaying information.

SSNUP project with SFA

From April 2021 to October 2021, SFA benefitted from a technical assistance project co-financed by the SSNUP programme. The project responded to the challenges mentioned above, by supporting smallholder farmers, that collaborate with SFA, to increase the volume and quality of rice paddies to meet local demand. The technical assistance project aimed to put in place **18 "demo fields"** to show the best agricultural practices with the support of a local agronomist consultant. These fields served as training grounds for **60 lead farmers**, who would in turn train **1,501 smallholder rice farmers** through guided field visits and knowledge-sharing sessions on best practices.

Overall, despite ongoing challenges in the cultivation process, including climate risks and limited adoption of best practices, smallholder farmers continue striving to meet Senegal's growing demand for rice. In the short-term, the technical assistance project co-financed by the SSNUP programme contributed to enable SFA to **increase by:**



+5%

rice paddy collection



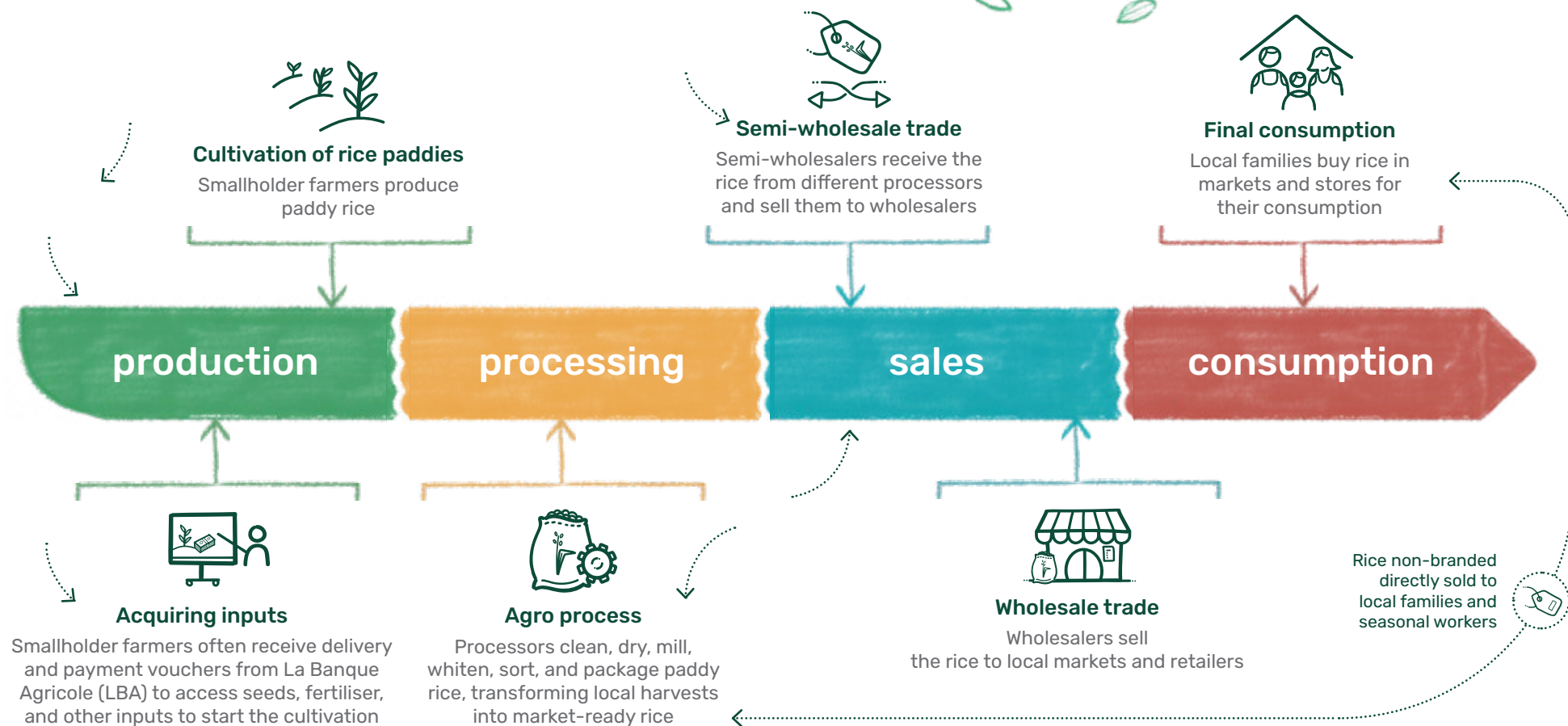
+16%

yield

Through the project, the quality of rice improved on the demonstration fields by using 108 rice varieties and certified seeds, and applying cropping calendar, and pre-germination techniques.

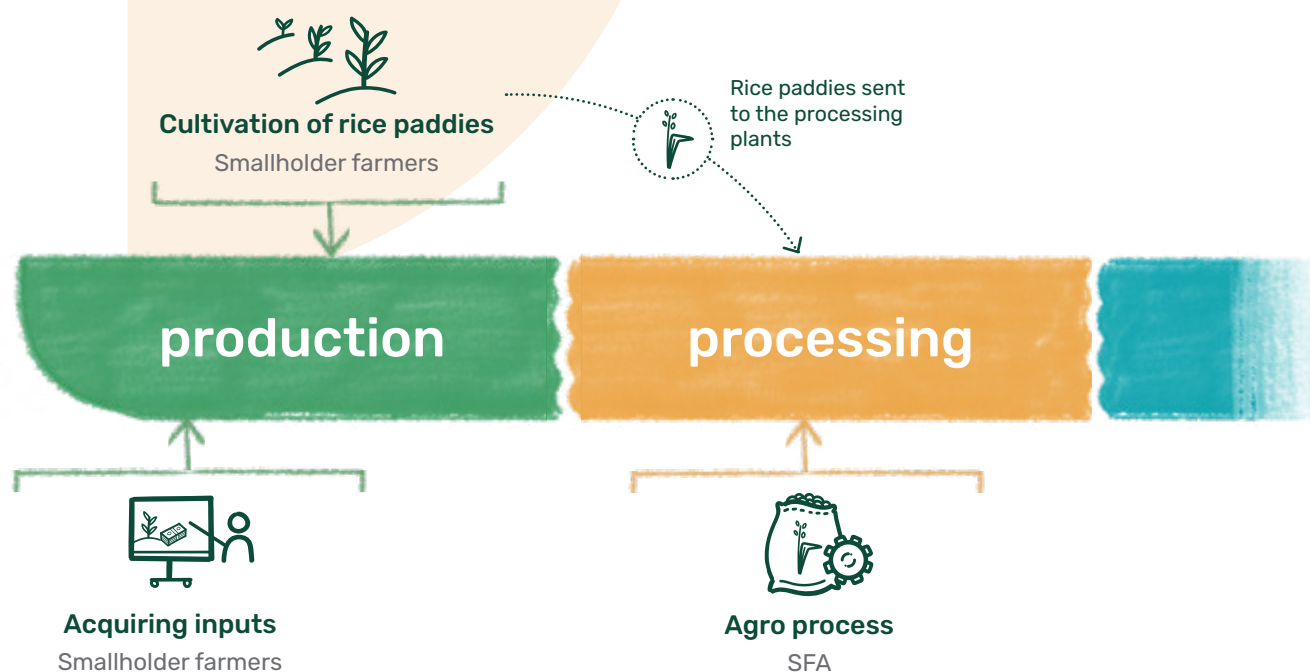
¹ www.ansd.sn/Indicateur/sesnchapitre-agriculture

The role of SFA in the rice value chain



SFA's business model is built around four pillars: a supply model based on sourcing from smallholder rice producers; an operational model built around centralised aggregation and direct purchasing; a sales model relying primarily on semi-wholesalers, and a social model grounded in direct engagement with farmers, local workers and local consumers. Each pillar contributes directly to the company's ability to **scale and respond to market demand**. Click on the buttons to get a closer look at each model.

SFA Supply model



SFA's role

SFA sources rice from smallholder farmers located in Northern Senegalese villages, where a well-established hierarchical structure has existed since the 1970s. The farmers are organised into groups with zone leaders and representatives of producer groups, among others. This structure allows SFA to engage directly with representatives, streamlining coordination and **facilitating a reliable rice supply** for the processor.

Challenges

However, the harvests of smallholder farmers are often at risk, due to **climate-related risks** such as **dust, pests**, and irregular or insufficient **rainfall**. Yield disparities also remain from one farmer to another, as some fields are more saline than others, further affecting rice cultivation.

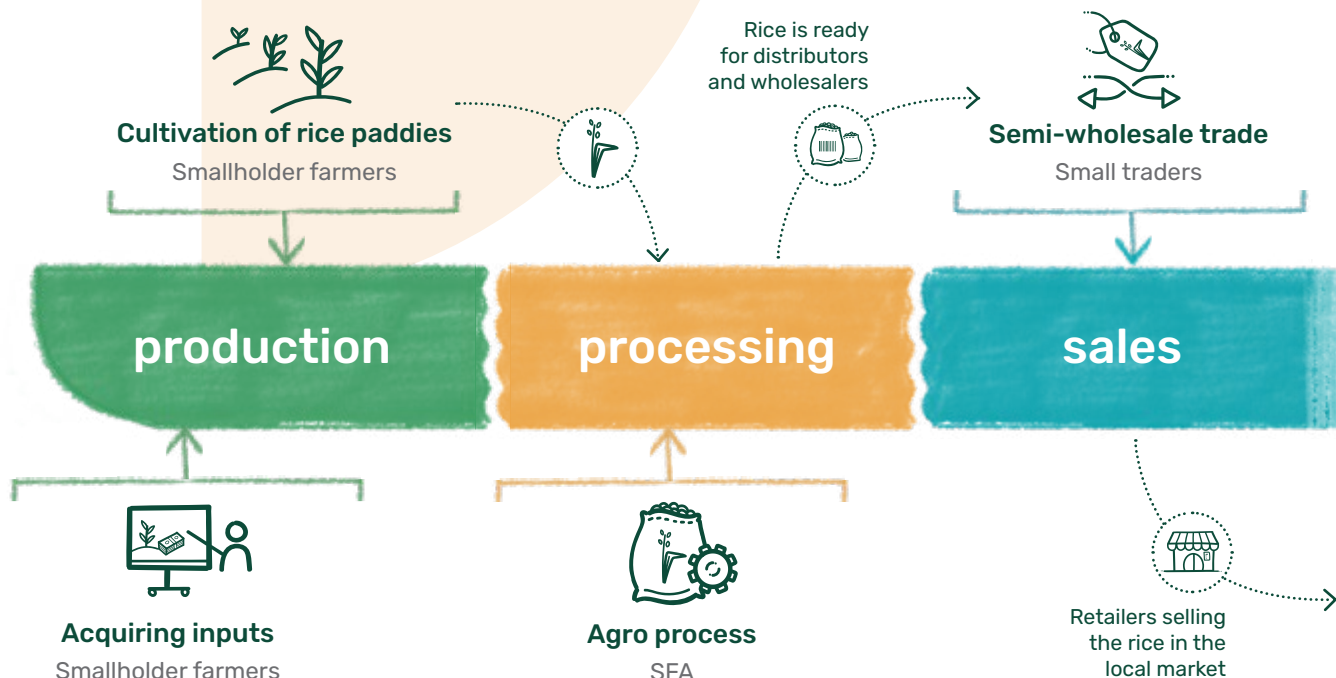


SFA's actions with SSNUP

Through the technical assistance project, SFA provided **lead farmers with a methodology to monitor crops and detect cultivation issues early throughout the growing season**. Lead farmers were selected to ensure a diversity of experience, including both highly experienced smallholders and those who had struggled to improve productivity over the past two to three years. The project also promoted **standardised seed techniques** – such as soaking and incubation – before planting, enhancing germination, seedling vigour, and overall yields.



SFA Operational model



SFA's role

SFA's operational model is structured around a centralised collection and procurement system that links smallholder farmers to a guaranteed market. Once the cultivation is ready, each farmer delivers its **production to the common warehouse** to sell it to SFA at the state-approved price (170 FCFA per kilo in 2023). This approach sets SFA apart from other processors by not only facilitating the sale of farmers' harvests to SFA but also by fostering effective communication and trust between SFA staff and farmers.

Challenges

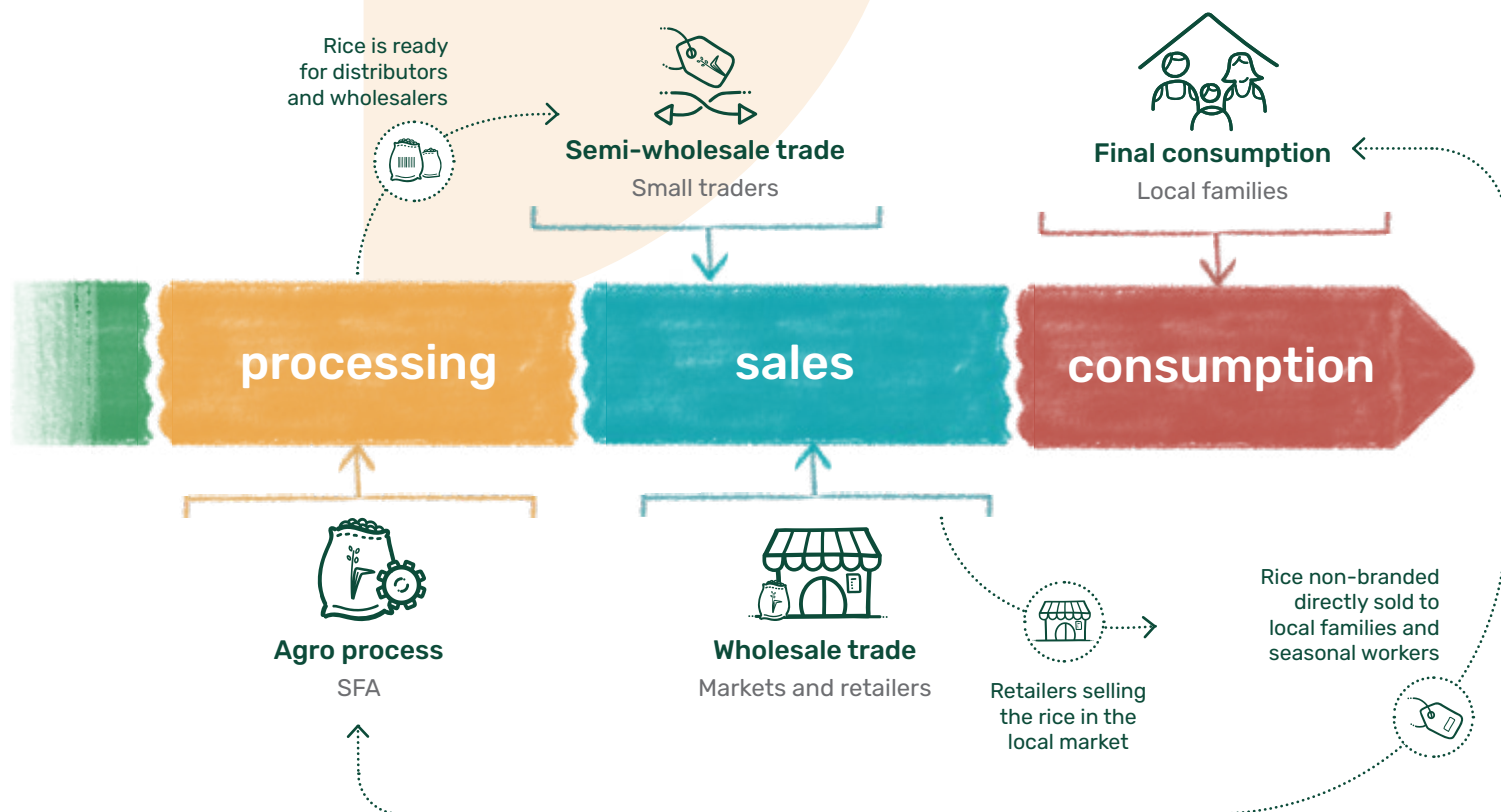
While total rice production has increased among SFA-supported smallholder farmers, farm-level productivity may remain low, largely due to **variations in the adoption of good agricultural practices between production zones**. As a result, SFA's processing operations are constrained by limited and uncertain supply volumes.



SFA's actions with SSNUP

Through the technical assistance project, SFA has established **a collaborative platform that brings smallholder farmers together** to meet regularly, discuss the challenges they face, and exchange knowledge on **best practices of rice cultivation**. By facilitating these interactions, SFA has helped increase farmers' understanding and uptake of improved agricultural practices, strengthening productivity and promoting more consistent yields across participating communities.

SFA Sales model



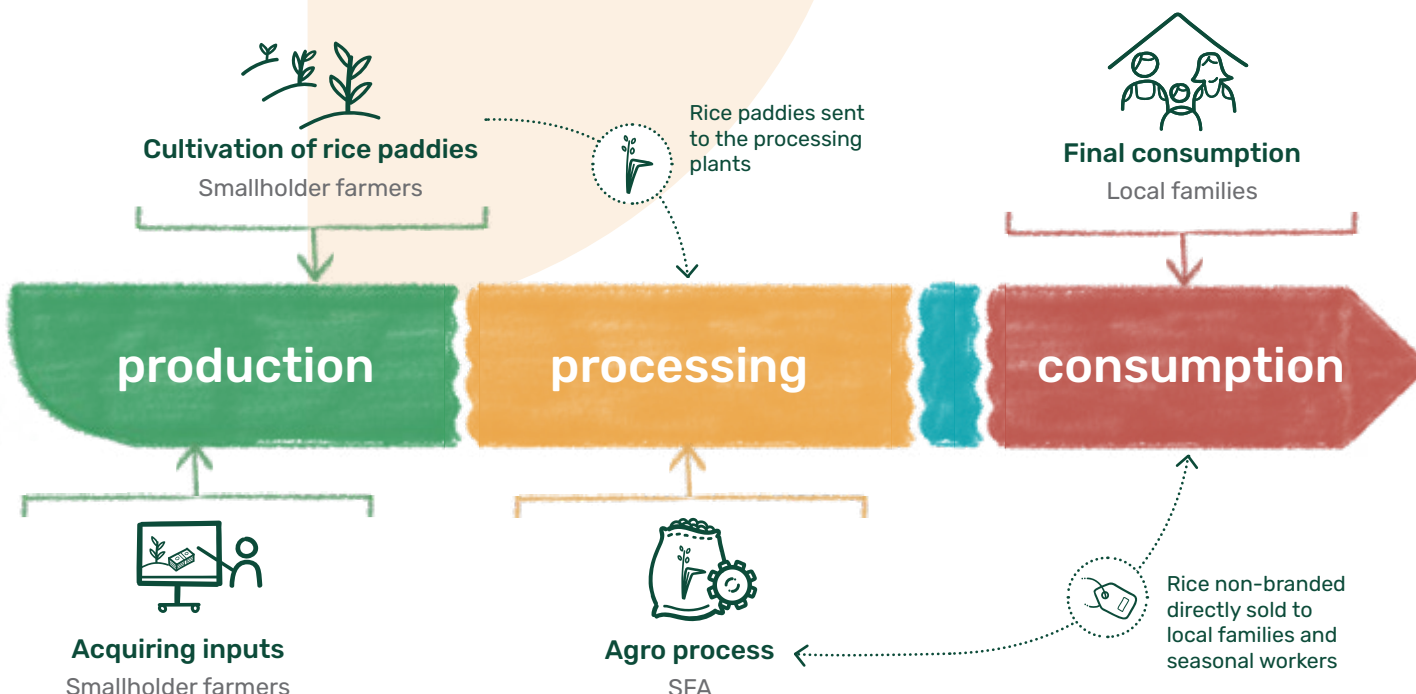
SFA's role

SFA directly sells high-quality white rice branded as "Terral" to semi-wholesalers, following a carefully controlled process that transforms rice paddy into finished rice. Key aspects that ensure **high-quality rice** include measuring the rice humidity, whitening the rice three times, and removing impurities. SFA also closely communicates with **semi-wholesalers**, who sell different rice brands across Senegal, building a **stronger network in the country**.

Challenges

Nevertheless, **local rice supply remains insufficient to meet domestic demand** and is highly dependent on harvest seasonality. Improving production efficiency and adopting modern solutions would help reduce Senegal's reliance on rice imports and better manage **competition from Mauritanian exports**. At the same time, the competitiveness of local rice is undermined by the widespread consumption of **imported broken rice, which is significantly cheaper** than locally produced rice as it is sold as a by-product on international markets.

SFA Social model



SFA's role

SFA recognises the social impact rice production has on the local population. One example of this is SFA's **employment of seasonal workers** to measure the humidity of rice paddies and drivers responsible for transporting the rice by truck, thereby strengthening the local ecosystem around the rice value chain. SFA also **sells the surplus** white rice that does not meet market standards directly **to local families** for personal consumption or resale, enhancing local food security and creating economic opportunities in the community.

Challenges

Still, SFA has a key role to play in supporting smallholder farmers to improve rice production. Many smallholder farmers struggle with low productivity due to **limited knowledge of improved techniques**. They also face barriers in accessing essential inputs and credit, which restricts consistent yields and reduces the volume and quality of rice available for processing.



SFA's actions with SSNUP

Through the technical assistance project, SFA facilitated the **delivery of training sessions to farmers on water management and good agricultural practices** – from fertiliser application and drainage to threshing and harvesting – to increase the yield production. As a result, smallholder farmers achieved higher yields per hectare and an overall increase in the quantity of rice paddies produced.



SFA's self-initiated actions

Over the past year, SFA launched a pilot project introducing a tripartite contract with La Banque Agricole (LBA) and the smallholder farmers to **support the financing of inputs**. Smallholder farmers can access bank loans with SFA acting as a guarantee and repay LBA with an equivalent volume of their harvest delivered to SFA. If there is a surplus, the smallholder farmers can directly sell it to SFA and keep the profits.

Perspectives

from rice value chain actors

Smallholder farmers



There are two growing seasons: the off-season, which is short, and the rainy season, which is longer. Our daily routines are shaped, among other things, by weather conditions and the need to protect the crops from birds, requiring a constant presence in the fields. The cultivation process also involves two to three rounds of water being drawn from the canal to irrigate the rice paddies, followed by a period of drying for maturation. During this process, as a lead farmer, I regularly communicate with both SFA and the other lead farmers. We meet on a regular basis where we share challenges our farmers face and see if we can identify ways to help each other.

Exchange with lead producers that received support during the delivery of the technical assistance project co-funded by SSNUP, 08/07/2025

We have been working with SFA for a long time and we truly value the training we have received. Since then, we have adopted new rice cultivation techniques, and our yields have increased. We are grateful to SFA for their continued support. We feel listened to, our concerns are taken seriously, and we want to continue working with them.

Processor



We tend to emphasise the economic aspect far more than the human impact of rice production. People from the village who work here for just a single day earn at least 3,000 to 4,000 francs creating a true ecosystem around the rice production. The impact of just one kilogramme of rice on this ecosystem is enormous. We have not yet been able to truly work on this or capitalise on this impact. The conversation shouldn't just be about financing, but about how many lives have been improved or even healed thanks to rice cultivation. Within the rice value chain, there is so much information and human impact that often goes unseen.

Interview with Assane Koffi, CEO of SFA, headquarters in Saint-Louis, 09/07/2025

Building on the knowledge gained from the technical assistance project co-financed by SSNUP, we have established a full operational in-house Technical Assistance Department. It delivers ongoing technical training and shares good practices with smallholder farmers to boost their yields. This approach has strengthened our relationship with them. Looking ahead, I envision SFA evolving into an agri-tech company, driving innovation across the rice value chain, with hands-on technical support at its core.

Salers



I am a semi-wholesaler based in Saint-Louis working with SFA for four years. I work with rice since an early age. I started as a rice producer, became a retailer, and then became a semi-wholesaler. I sell diverse types of rice, from whole rice, half-broken rice, and broken rice, in 25 kg bags. Depending on the supplier, the rice varies in quality (for instance, if rice has 'black spots' or yellowed grains). The main purchasing criteria remain quality and price. Overall, my collaboration with SFA has been positive and one of my challenges will be to pass my business to my kids and continue to improve my family's economic status.

Interview with Mory Diop, a semi-wholesaler that works with SFA – Saint-Louis, 08/07/2025

Working with SFA allows me to sell high-quality rice that is always in demand. I trust SFA and this partnership has strengthened my relationships with suppliers and helped grow my business.

Investor



We have been working with SFA since 2014. At present, the rice sector in Senegal continues to receive dedicated support from the government, but it faces structural challenges. One important challenge in relation to investing in the sector is the intense competition from imported rice, which is significantly cheaper due to Asian broken rice pricing and minimal tariff barriers. This creates a persistent price gap that local producers must overcome to gain market share.

Interview with investment officer, Fondation Grameen Crédit Agricole, 26/06/2025

With the technical assistance project co-funded by SSNUP, SFA was able to reach the break-even point. It also helped building loyalty among smallholder farmers and strengthened SFA's image as a rice operator committed to supporting producers.

about the SSNUP snapshot series

The SSNUP Snapshot series is a collection of knowledge products designed to examine the role of SSNUP-supported organisations, namely small and medium-sized enterprises (SMEs), financial intermediaries, and cooperatives, across the value chains in which they operate. It focuses on the challenges and opportunities embedded within these value chains, analysing how organisations position themselves and tailor their business and engagement models across different segments. By examining how these organisations engage with and support smallholder farmers, the series seeks to inform actors supporting agri-food systems by shedding light on the range of possible levers for action within diverse value chain contexts.

about the SSNUP programme

The Smallholder SustainAbility Upscaling Programme (SSNUP) is a 10-year programme launched in 2020 that aims to improve the resilience of smallholder households through technical assistance and investment in agricultural value chains, ultimately enhancing the well-being of low-income populations. Funded by the Swiss Agency for Development and Cooperation, the Liechtenstein Development Service, and the Luxembourg Directorate for Development Cooperation and Humanitarian Affairs, SSNUP works as a facility to co-finance technical assistance projects led by impact investors active in the field. ADA is responsible for coordinating the programme and managing its knowledge management component.



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