



European Research Institute on Cooperative and Social Enterprises

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Identifying Processes and Policies Conducive to Cooperative  
Development in Africa

# Senegal Country Report

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This country report is one of the outputs of the research project “Identifying Processes and Policies Conducive to Cooperative Development in Africa”, an exploratory study conducted by Euricse in partnership with the International Cooperative Research Group, a division of the US Overseas Cooperative Development Council (OCDC).

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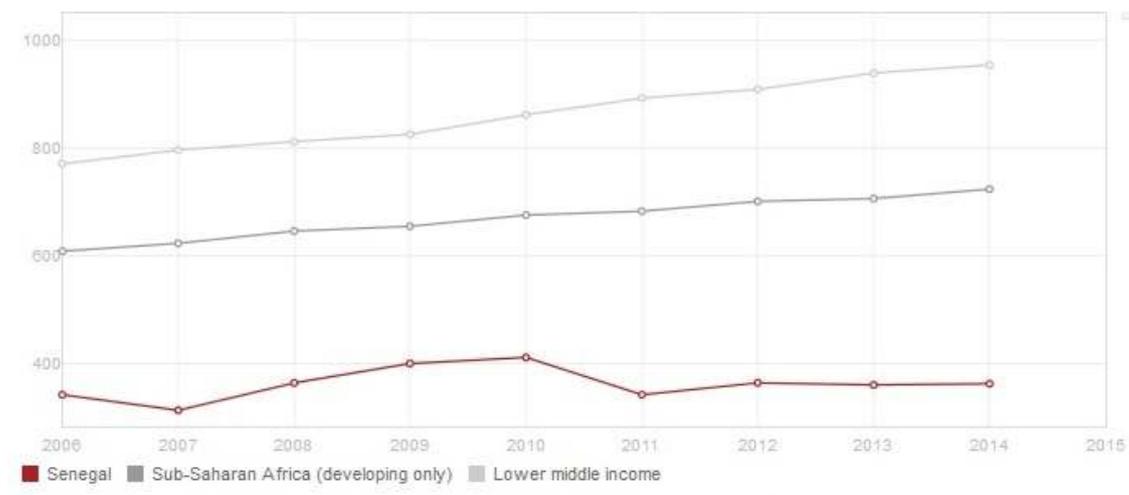
### 1. National context and agrarian policies

After the independence from the French colonization in 1960, Senegal had a first political phase characterized by a specific form of socialist policies (*socialisme ruraliste*, Mbodj, 1992), guided by

its first President Léopold Sédar Senghor. In this phase, the state played an important direct role, mainly in the agrarian economy, with the aim to empower producers facing traders' market power. Cooperatives were crucial actors in empowering the smallholders engaged in family farming, by providing access to equipment and commercialization channels, even though the main efforts remained concentrated in the nationalized peanut subsector (Mbodj, 1992). From the early 1980s, as in most African countries, a phase of state withdrawal started. The adoption of structural adjustment policies in Senegal dates back to 1984, when the *Nouvelle Politique Agricole* (NPA) was introduced, which eliminated the subsidies to agriculture, namely, in input provision. These policies had a boost in the early 1990s, when a reform plan was supported by the International Financial Institutions. This started with a huge devaluation of the national currency, the Franc CFA, which had important social impacts, given the dependency of the country on imports.

Most of Senegal lies in the Sahelian area, a region characterized by irregular rainfall and relatively poor soils. In 2011, agriculture employed 46.1% of the employed population, which was a significant increase from 2006, when employment in agriculture was 33.7% (World Bank data<sup>1</sup>). The majority of farmers are smallholders who combine cash crops (mainly peanut and cotton) and food crops (rice, maize, sorghum, and millet). In recent years, medium and large-scale horticulture developed (mainly of Senegalese owners), but is concentrated in selected areas (Niayes and Senegal River Valley, which is also one of the main rice producing areas).

**Fig. 1: Value added per worker in agriculture**

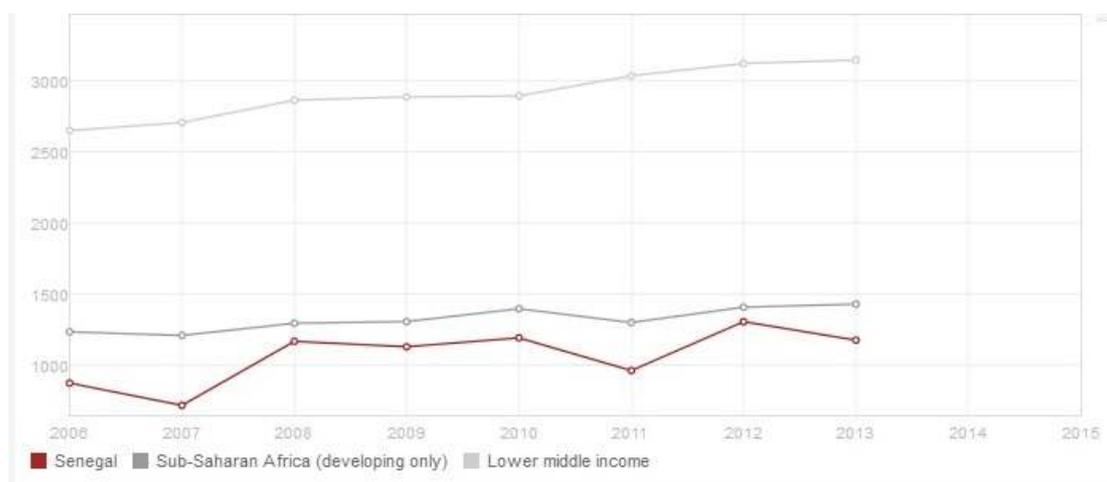


Source: World Bank data<sup>2</sup>

**Fig 2: Cereal yield per hectare**

<sup>1</sup> <http://data.worldbank.org/country/senegal> [Accessed: February 17, 2016].

<sup>2</sup> <http://data.worldbank.org/country/senegal> [Accessed: February 17, 2016]. Agriculture value added per worker is a measure of agricultural productivity. Value added in agriculture measures the output of the agricultural sector (ISIC divisions 1–5) less the value of intermediate inputs. Agriculture comprises value added from forestry, hunting, and fishing as well as cultivation of crops and livestock production. Data are in constant 2005 USD.



Source: World Bank data<sup>3</sup>

Senegal is one of the most import-dependent countries in West Africa in terms of agrarian production: according to 2007 data, Senegal produced 39% of its consumption of food products (Nuweli et al., 2013). The production of most cereal crops has stagnated since the late 1960s. A system based on the import of food crops and the export of cash crops has entered into a crisis, since the prices for peanut and cotton (the main Senegalese cash crops) have started to decline. Stads and Séné (2011) add, as critical elements, the poor control of water resources, the degradation of land and agricultural inputs, and the negative effect on production of the withdrawal of the state from seed and fertilizer subsidies in the late 1980s. The problems linked to productivity of agrarian production can be highlighted by figures 1 and 2.

The case of rice is an important example: rice is the most consumed cereal in Senegal, but only 45% of consumption is covered by domestic production. This large import dependency makes Senegal vulnerable to volatility in the international rice market (Colen et al., 2013). In response to the 2008 food crisis, the government of Senegal assigned rice a higher priority for self-sufficiency and increased investments to boost production. The public policies trying to address the problem are the 2000 Strategy of Accelerated Growth (SCA – *Stratégie de Croissance Accélérée*) and the 2008 GOANA program (*Grande Offensive Agricole pour la Nourriture et l'Abondance*), which implement investments in the national rice sector, notably by irrigating and cultivating unused land in the Senegal River Valley (Colen et al., 2013). In 2010, the National Plan for Agrarian Investment was launched to comply with the directions of the common policies of the Economic and Monetary Union of West Africa. In principle, these policy directions integrate the need for food sovereignty and small-scale agriculture as the basis for rural development. In practice, 60% of the plan is devoted to increasing agrarian production, mainly through infrastructure interventions, but with limited detail on the specific value chain problems and on the tools to implement input distribution (Migliardi, 2013), including cooperatives and producers' organizations.

<sup>3</sup> <http://data.worldbank.org/country/senegal> [Accessed: February 17, 2016]. Cereal yield, measured as kilograms per hectare of harvested land, includes wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains. Production data on cereals relate to crops harvested for dry grain only. Cereal crops harvested for hay or harvested green for food, feed, or silage and those used for grazing are excluded. The FAO allocates production data to the calendar year in which the bulk of the harvest took place. Most of a crop harvested near the end of a year will be used in the following year.

In a study on the rice subsector, Colen et al. (2013) argued that producers do not participate significantly in the marketing of their produce. Many farmers produce mainly for subsistence purposes, and only a small number (often with larger farms) have a market-oriented strategy. Moreover, they participate little in the urban markets, which contain the largest group of rice consumers. The same study found that farmer organizations usually sell to local intermediary traders (*bana-banas*). Sales are often small and irregular, and most farmers sell a part of their production to *bana-banas* after harvesting and store another part for consumption or for sales at a later time. Farmers and farmer organizations usually do not have long-term relationships or agreements with these traders, and transactions are *ad hoc*.

## 2. Agrarian cooperatives: an overview

According to Bernard et al. (2015), 70% of rural households in Senegal are members of rural producers' organizations. These have expanded rapidly in number and membership in the last decades. Between 1982 and 2002, the percentage of villages with an organization rose from 8% to 65%. These organizations are not all cooperatives, but they can be considered part of the cooperative movement, according to the classification made by Wanyama et al. (2009). The cooperative model that was more diffused in Francophone countries was, indeed, the "social economy model", which "recognized cooperatives as just one of the many legal or institutional entities that brought together people sharing the same social and economic objectives". In this model, "it was the social and economic objectives that were shared by the parties involved; not the virtues of a cooperative model". In such contexts, mutual societies and associations became part of a single movement together with cooperatives.

Cooperatives were introduced by the colonial ruler in 1947 and were maintained by the independent government. De Janvry and Sadoulet (2004) identify four phases in the history of the Senegalese cooperative movement. The first phase (1960–1980) was characterized by the role of the state, which promoted cooperatives as a tool to intervene in the rural context through mechanization, input distribution, and through food security programs. The main cooperative task was in the peanut subsector, where cooperatives were the core structure of the organization of the value chain, with positive results throughout the 1960s. The *Union Nationale des Coopératives du Sénégal* (UNCAS) was created in this phase. At the same time, the state also promoted the creation of women's groups (*Groupements de Promotion Féminine*, GPF) to organize women that were left out by the other agrarian policies. Because of top-down government practices, the dependency on the state (and the problems arising when it started to withdraw from the economy), and the dependency on the peanut sector, the cooperative movement entered into a crisis. Despite the reform promoted in 1983, cooperatives did not regain credibility and energy. At the same time, other experiences emerged. First, endogenous organizations or organizations supported by NGOs were created in the 1970s. These entities included the *Association Socio-économique, Sportive et Culturelle pour l'Agriculture du Walo* (ASESCAW) and the *Association des Jeunes Agriculteurs de Casamance* (AJAC), which invest in education, training, and transparency, through leadership strongly rooted at the community level, often promoted by young people that had internal migration experiences. In 1976, these associations founded an umbrella organization, the *Fédération des Organisations Non Gouvernementales du Sénégal* (FONGS). Another experience that started in the 1960s, but is currently very weak, is the *Maisons Familiales Rurales* (Migliardi, 2013), which were started by a

French NGO and then backed by the government to provide support to smallholders; these organizations have been heavily weakened by the liberalization that has occurred in agriculture since the 1980s.

Indeed, along with the NPA, a phase of state withdrawal began in 1984 with the end of subsidies to agriculture, the dismantling of the rural development public initiatives, and other actions. This phase was characterized by the promotion, instead of cooperatives, of *Groupements d'Intérêt Economique* (GIE), which are similar to mini-cooperatives, mainly based on the possibility of jointly applying for loans. Some GIEs were just used to obtain credit from the *Caisse Nationale de Crédit Agricole du Sénégal* (CNCAS) and fueled the beginning of the problem of excessive debt of farmers. Others were more sustainable and became value chain organizations belonging to the *Conseil National de Concertation et de Coopération des Ruraux* (CNCR). CNCR is a confederation of cooperative unions, GIEs, GPF, and associations. It was founded in 1993 after the initiative of the FONGS and became (mainly in the second half of the 1990s) part of the negotiations with the state and the international donors. It obtained results on farmers' debt management and on the price of peanut and cotton, and it took part in negotiations for the Agrarian Structural Adjustment Plan in 1996. At the beginning of the 2000s, it obtained the creation of a national fund for rural development and promoted the creation of the *Réseau des organisations paysannes et des producteurs de l'Afrique de l'Ouest* (ROPPA). According to Migliardi (2013), despite the negotiating role it used to have, the government under the presidency of Abdoulaye Wade (in power between 2000 and 2012) seemed to consider the CNCR more as a tool to satisfy international donors than a true counterpart.

Thus, the types of organization that emerged in the liberalization phase were mainly the *Groupements d'Intérêt Economique*. Participation in these interest groups is necessary to have access to credit from the agricultural bank, the *Caisse Nationale de Crédit Agricole du Sénégal* (CNCAS). These GIEs are usually part of village-level unions (UV, *Unions Villageoise*). The demand for credit is formulated at the level of the GIE and transmitted to the UV, which submits the collective requirements to the CNCAS; when the loan is disbursed, credit can be used for purchasing inputs that are distributed to members. GIEs are also supposed to bulk and sell production, but in the rice value chain, they do not collect more rice than is needed for loan reimbursement, according to Colen et al. (2013). Farmers who participate in the GIE system are selling at least part of their production to repay the credit they obtained, but seldom more than that. The same authors noted that most GIEs and unions, in general, do not engage in an advanced form of processing or storage of rice and that most of them sell the rice as paddy immediately after harvesting<sup>4</sup>. Globally, Colen et al. (2013) explained that most transactions in local markets pass through a high number of small intermediary traders and that very few actors in the chain collect, store, and sell rice in large volumes. Cooperatives and groups do not manage to serve this function systematically and on a large scale.

Beyond the rice sector, Bernard et al. (2015) also noted that while rural producers' organizations remain active in input and credit provision, their capacity to aggregate output has been weakened considerably. At the time of harvest, producers are usually visited by private traders and this leads to important side selling; thus cooperative-like organizations are seldom able to aggregate the necessary amount of produce to trigger economies of scale and bargaining power at the time of

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<sup>4</sup> A notable exception to this scarce attention to commercialization is the PINORD platform.

commercialization. Bernard et al. (2015) analyzed the reasons behind this weak commercialization activity and suggested that even though farmers who sell through an organization obtain higher prices, they are rarely paid on the same day. The lack of financial means and technical capacities at the organization level are likely to be significant constraints, together with trust and coordination between members. In the authors' survey, some differences emerged between organizations engaging in collective commercialization and organizations that do not: the members of the former are younger, own more motorcycles, are more likely to have savings accounts with banks and MFIs, and have larger fields. They more often cultivate peanut and rice and display higher average trust levels.

### 3. The legal framework of cooperatives

In 1983, after problems had emerged concerning the existing societies and the cooperatives in the peanut sector, a new law was formulated (Loi 83/2007) that created the *sections villageoises* and more than 300 rural cooperatives. The main aim was to transform cooperatives into more autonomous businesses and to face the decline of the peanut sector, but the results were limited (Gaye, 1991). This law, according to a report of CNCR and ASPRODEB (2002), was not being applied de facto still in early 2000. This law stated the principle of voluntary membership and the possibility of sharing dividends, even if the non-profit principle was also underlined. The latter was intended to mean that cooperatives cannot take action except on behalf of members. According to this law, the cooperative also had the task of intermediating between the rural producers and the state (or the other structures that intervene in the rural world) by providing organizational frameworks, information, and training. In this direction, cooperatives could obtain funds from the state or local governments, receive loans, and conduct training programs.

As previously mentioned, a more widespread form of productive association is the GIE, regulated by Law 84-37 of 1984. The advantage of a GIE is that procedures for its creation are much easier than procedures for the creation of a cooperative, but at the same time, it is registered as an enterprise and can acquire the license to trade and to import/export. Also, it has greater constraints in terms of profit distribution. The law states that a GIE cannot make profits that are appropriated by members; GIE members are responsible for the group's debts, while the GIE itself is absolved from taxes. It can be formed by two people or more and does not need starting capital. According to the online guide<sup>5</sup>, which is available on the national information agency website (ADIE), the cost of establishing a GIE is 115,500 FCFA (around 200 USD).

A new law has been adopted within the process of the harmonization of trade laws in West and Central Africa, promoted by the *Organisation pour l'Harmonisation en Afrique du Droit des Affaires* (OHADA). This has been strongly supported by the African Union, the ILO, and the central banks of the involved countries. This act replaces national regulations and demands that within two years of its coming into force (May 2011), cooperatives must adapt to it. In this text, the adopted definition of cooperative draws on the ICA one (Article 4): "The cooperative society is an autonomous grouping of persons, voluntarily united to fulfill their common economic, social and cultural aspirations and needs through a jointly-owned and managed and where power is exercised democratically and according to the cooperative principles". The act introduces the notion of a

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<sup>5</sup> [www.servicepublic.gouv.sn](http://www.servicepublic.gouv.sn) [Accessed: February 17, 2016].

“common bond” (Article 8) as the “objective element or criterion which cooperators share and on the basis of which they unite. It may, in particular, be relative to an occupation, a common purpose, activity, or legal form”. According to Hiez and Tadjudje (2012), this concept is used to limit share transfers or to validate the entry of new members. The basic principles are the same as those of the ICA. The act creates two kinds of cooperative companies: simplified cooperatives and cooperatives with a board of directors. The first has a minimum number of five members, while the second needs 15 starting members.

The share capital is variable: the cooperative may issue new shares that may be subscribed to by existing or new members or can redeem shares from its members, which results in a reduction of capital. On the other hand, cooperatives are characterized by an increased obligation to allocate resources to reserve when compared to capital-managed companies. The act created two legal reserves: a general reserve and a reserve specifically assigned to training, education, and publicity. Until the legal reserve does not reach the threshold fixed by the bylaw, the share of profits that are accumulated yearly into it cannot be lower than 20%. According to Hiez and Tadjudje (2012), these reserves are out of the members’ reach. Members may not withdraw any amount, even on departure or dissolution of the cooperative. They are locked assets. Therefore, if there are net assets on dissolution, they may only be allotted to another cooperative or to an umbrella organization. This works as a guarantee against demutualization. Once the legal reserves are funded, the cooperative may contemplate allocating patronage refunds to its members in proportion to their activities with the cooperative (Article 112).

The democratic character of cooperatives appears through the adoption of the fundamental principle of “one person, one vote” (Article 102). At the same time, Hiez and Tadjudje (2012) explain that the act does not provide for any maximal amount of shares per shareholder, which may be problematic for genuine democracy.

Contrary to some other African legislation, the act does not define cooperatives as “non-lucrative”. At the same time, the distribution of income by the cooperative to the members is limited through mechanisms that restrict the remuneration of shares, reimbursement of shares at nominal value, and control of share transfer (Hiez and Tadjudje, 2012). No remuneration of shares is demanded by the act, which delegates the choice to the articles of incorporation. Shares may be transferred only under the conditions set by the articles of incorporation. Entry into the society requires approval, with no possibility of transferring shares to anybody.

The act foresees the possibility of three-level organizations under umbrella structures. The act distinguishes three phases in the creation of cooperative companies: formation, incorporation, and registration (Articles 85 et seq.). A minimum share of capital is needed. Members can contribute share capital in cash, in kind, or in industry (i.e., in work). In the case of contributions in cash, the cooperators must promise to pay the entire share capital but can delay, at least in part, its actual payment. Simplified cooperatives and cooperatives with a board of directors differ on the amount of capital to be paid up immediately and the variability of the possible delay.

#### 4. The selected projects

In Senegal, we had the opportunity to analyze only two projects, one carried out by the French organization FNCUMA (*Fédération Nationale des Coopératives d'Utilisation de Matériel Agricole*) together with AVEM (*Associations Vétérinaires et Eleveurs du Millavois*) and the other facilitated by a big Italian consumer cooperative (Coop, which is a member of Legacoop) together with an NGO based in Italy (COSPE).

##### 4.1 FNCUMA-AVEM, Introduction of shared mechanization to go through the dry season: a cooperation project empowering both French and Senegalese farmers

CDO	Target country	Project title	Main partners	Period
FNCUMA (France)	Senegal	Introduction of shared mechanization to go through the dry season: a cooperation project empowering both French and Senegalese farmers	Association Vétérinaire des Eleveurs du Millavois (AVEM, France).  Senegal: Association des Groupements de Producteurs Ovins (AGROPROV), Ecole Inter Etats des Sciences et Médecine Vétérinaires de Dakar (EISMV), Institut Sénégalais de Recherches Agricoles (ISRA), Conseil national de concertation et de coopération des ruraux (CNCR)  Funding organization: FNCUMA Ayeron (France)	2000–ongoing

In this project, the CUMA Federation intervened in the last years to support a project that has existed since 2000 and has been managed by the *Associations Vétérinaires et Eleveurs du Millavois* (AVEM). AVEM is an association of veterinaries and farmers that aims to provide services for members at below market prices for veterinary services. In 2000, they developed a partnership with the *Association des Groupements de Producteurs Ovins* (AGROPROV) in the Kaolak province in Senegal. AGROPROV was formed by 600 farmers organized in a GIE. The members are farmers engaging in both agriculture and cattle breeding, with about 10 hectares of land and 20 to 60 sheep.

In 2000, an exchange started between the two groups of farmers. In the discussion on the type of problems faced in France and in Senegal, a consensus emerged whereby an exchange of experiences and techniques could be fruitful. AGROPROV members were facing a high mortality (20%–30%) of animals during the dry season because of a lack of food. The need to stock hay emerged, and AVEM supported AGROPROV in buying a mower and provided training for its use and maintenance. After the results of this technological improvement were diffused, more farmers wanted to introduce it. More machines were introduced, bought by AGROPROV on credit, when a group of different CUMAs intervened by contributing to the first tranche of the payment. At the same time, AVEM and AGROPROV worked at building partnerships with the Senegalese institutions working on livestock farming, such as the *Ecole Inter Etats des Sciences et Médecine Vétérinaires de Dakar* (EISMV), the *Direction de l'élevage*, the *Institut Sénégalais de Recherches Agricoles* (ISRA), and with the organizations representing farmers at the national level, such as the CNCR. After 2006, six *Groupements d'Utilisation du Matériel Agricole* (GUMA) were created to manage the mowing machines that were introduced, based on the model of the French CUMAs.

The aim of the partnership is to increase livestock production through managing technology in a sustainable way and through the strengthening of the collective organization of producers. Ten years after the introduction of the first mower, the partnership was focusing on strengthening the network of machinery sharing, training on harvesting techniques, and follow-up for the loan reimbursements. In 2010, a new phase started with the demand for the introduction of a tractor. This entailed a feasibility study, which led to the assessment of the conditions of profitability of a tractor. Recently, a tractor was delivered, and the loan is being repaid by AGROPROV.

The main characteristic of this project is the fact that it is based on a long-term relationship between two farmers' organizations and involves a small budget that is constantly renegotiated according to the emerging needs. It is mainly focused on support of technology introduction among Senegalese farmers: it addresses a core element of cooperative development, which is the need for inputs that would be too costly for a single farmer. It has two interesting aspects that should be underlined: the direct relationship among farmers, with minimal mediation by the "aid value chain", and the possibility of developing outside the project time frame, which allows for longer-term relationships.

#### 4.2 Legacoop-ANCC, Stop World Poverty, Cooperation and Solidarity: "Fruit and quality of life: support to fruit growers from Senegal"

CDO	Target country	Project title	Main partners	Period
Legacoop (Italy)	Senegal	Stop World Poverty, Cooperation and Solidarity: Fruit and quality of life: support to fruit growers from Senegal	Senegal: Association des Planteurs de l'Arrondissement de Diouloulou (APAD)  Cooperazione Sviluppo Paesi Emergenti (COSPE, Italy), National Federation of Consumer cooperatives (ANCC, Italy) Coop Adriatica (Local federation of consumer cooperatives, Italy)  Funding organization: National Federation of Consumer cooperatives, (ANCC, Italy)	2008-2010

This project was established by an Italian NGO, COSPE (*Cooperazione per lo Sviluppo dei Paesi Emergenti*), with a partnership with Coop, the major consumer cooperative in Italy, which is affiliated with the Legacoop federation. Coop launched a campaign between 2008 and 2010 to fund and collaborate on a number of projects in different parts of the world, aiming at fighting poverty. Among these, one project supported fruit growers in Casamance (southern Senegal), promoted by COSPE. The role of Coop has been, besides partial funding of the project, importing mangos and promoting the product in Italy. The project has now ended and, for different reasons, mangos are no longer exported through the Coop channel.

The project supported members of the *Association des Planteurs de l'Arrondissement de Diouloulou* (APAD) in the Ziguinchor region. The main poverty-increasing problems in the area, according to the COSPE analysis, are the reduction in rainfall, the lack of infrastructure, the withdrawal of most state services, and a socio-political crisis in the relationship between Casamance and the central state. Fruit farming is an important resource, since it is appropriate for the local climate and has good potential as a cash crop.

APAD was born in 1987 as a simple association and was transformed in 2001 into a GIE, which allowed its recognition as an economic actor and, crucially for APAD, allowed it to obtain a license for import/export activities. Nowadays, APAD includes 183 individual small and medium farmers and four first-level organizations, including GIEs for young farmers and a GPF (*Groupement de Promotion Féminine*, a women's group). The inclusion of a GPF had the important role of stimulating women's participation, since the APAD rules requires the ownership of land as a prerequisite for membership, which is rarely the case for women. Members live in 28 different villages, and they all own at least a plot of land with planted fruit trees. They all also produce food crops and often other cash crops and do small animal breeding. COSPE estimates that 60% of the annual income of members' households derives from fruit production.

The project aimed at strengthening the APAD, both from an organizational and a technical point of view, and at identifying different trading channels, with the consequent development of the more relevant ones for the purpose of solving the commercialization problems faced by small producers. First, the farmers have little bargaining power with the local traders, who exploit the high transport and storage costs of fruit and the lack of information of individual farmers and buy the end products at very low prices. The second issue is the use of uncertain and modifiable units of measure of the quantity sold and the lack of uniform pricing mechanisms. Moreover, Casamance producers suffer from isolation from main markets.

In regard to fruit collection, APAD directly collects fruit from members' fields. Members are not bound to confer all the production to APAD, but are bound to confer the quantity agreed upon at the beginning of the campaign. The project built a refrigeration center in Diouloulou in 2005 to store fruit.

The production processes that were supported by the project were fruit (mainly mangos) farming and beekeeping. In this direction, COSPE and APAD developed three channels of commercialization (in order of profitability):

- 1) Processed product
- 2) Fresh product for export
- 3) Fresh product for the local market

APAD owns a processing plant, mainly ran by the women members, where mango, papaya, cashews, and coconut are processed and then sold on the local market. This channel is particularly profitable, since it allows producers to sell year-round and to increase value-added cost, which is reflected in prices. Moreover, it allows producers to exploit fruits that cannot be exported (edible fruits, but below the quality standards for export), which can amount to 40% of production.

On the export side, the first steps of APAD have been to gain recognition by the Ministry of Trade for the opportunity to export (in 2004) and attain certification from the fair trade international labeling system (FLO). The majority of fair export trade has been to Italy through the consumer cooperative stores (Coop Adriatica, Unicoop Tirreno, Unicoop Firenze, and Coop Centro Italia). The direct export channel, even though it was granting high prices thanks to the fair trade channel, was finally abandoned, since it was too risky and too prone to hazards in the logistics and in the administrative process at the harbor of Dakar. Nowadays, APAD sells to exporters; this allows APAD to avoid internalizing some of the risky steps in the transport phase. It grants lower prices than the previous channel, but they are still higher than the local market traders.

This case highlights several points. First, the difficulties linked to the cooperative form in Senegal made them being replaced by an easier structure, the GIE. The positive aspect of this form is that it is simpler than the cooperative. Furthermore, considering the fact that most members are illiterate, the GIEs preclude highly bureaucratic and complicated procedures. GIEs have the downside of probably being more constrained to remain small. Cooperatives could provide a way to include more members in a wider area and obtain more bargaining power, for example, as potential exporters. Second, direct export for relatively small actors has several problems and costs, namely, when the infrastructure is poor and risks are very high. A question can be raised about the potential role of upper-level organizations that facilitate the process. Linked to this, producers' groups face problems when large investments are needed (e.g., refrigerated trucks to transport fresh fruit across long distances). To make large investments, a small organization needs to be sure of having a secure market. This highlights the need for vertical integration of the value chain. The third issue is the relevance of processing: in this case, there was no processing plant in the area, and the APAD acted as a pioneer in the sector. The fourth point is the importance of a binding agreement on the quantity conferred to the cooperative, even if this quantity is not 100% of production.

## 5. Concluding remarks

A first observation from the Senegalese case is that the most diffused form of collective organization of production is not the cooperative, but the *Groupement d'Intérêt Economique* (GIE); this is due both to the legacy of cooperatives for rural people—as they recall the very centralized and top-down phase—and to the difficult administrative procedures to create one. The advantage of a GIE is first of all its lean structure and ease of creation. At the same time, the existing literature highlights that GIEs have a potential limitation in that the incentives they provide are more related to credit than to collective commercialization. Marketing through a GIE is often done up to the quantity that serves the function of debt repayment. As we have seen in the rice sector, GIEs often do not manage to engage in advanced forms of processing or storage. GIEs also have the downside of probably being more constrained to remain small. Cooperatives or second-level organizations could be a way to include more members in a wider area and to obtain more bargaining power. This highlights an excessive emphasis on credit and finance by the government, since the tools that are in place seem to focus on this aspect only.

A major problem in Senegalese producers' organizations is the capacity to aggregate output, although they remain more active in credit and input provision. According to Bernard (2015), at the time of harvest, producers are visited by private traders that offer immediate payments. This leads to important side selling that limits the possibility of the organizations to trigger economies of scale and bargaining power. This problem coexists with the fact that, in most cases, the organization manages to offer higher prices. Problems can arise due to the timing of payment and to trust among members. The importance of a binding agreement on quantity conferred to the cooperative is therefore crucial, together with the strengthening of the capacity of the cooperative to gain the trust of members and to pay the produce at least partly at the moment of collection. This requires that cooperatives have the financial capacity to anticipate payments, and this is a major aspect that should probably be addressed by cooperative promotion projects.

In the analyzed cases, we have observed groups playing important roles in promoting investments in fixed capital that would have been impossible at the individual level, both in terms of

mechanization and in the introduction of processing techniques. Still, the analyzed cases showed that there can be difficulties on a larger scale (costs of wider transports and export possibilities), which opens a space for higher-level organizations. Moreover, to make large investments, a small organization needs to be sure of having a secure market. This highlights the need for vertical integration of the value chain.

Another important issue that emerges regards the time dimension of projects. The possibility of carrying out interventions in a longer span of time that is not limited to strict project time frames may have positive impacts in terms of cooperative development.