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**SENPRIM
TRUCK FARM OPERATION**

SENEGAL

REPORT BY

Jean G. Cruzet

CENTER FOR PRIVATIZATION

1750 New York Avenue, N.W.
Washington, D.C. 20006

Project No. 15

September 19, 1986

Prepared for the
**BUREAU FOR PRIVATE ENTERPRISE
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**



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I. EXECUTIVE SUMMARY

1. Senprim which is operated under the aegis of the Ministry of Rural Development (MDR) is Senegal's leading exporter of offseason vegetables to Europe. Senprim suffers from an acute case of operating sclerosis. Senprim's full potential is not fully tapped on account of mediocre yields and declining sales over the past eight years. The combination of underutilized assets and an operating cost structure are characterized by abnormally high air freight and distribution costs which have yielded average operating losses of US \$750,000 which have been covered by operating and equipment subsidies. At present, Senprim's net worth would be negative if it were not for subsidies.

2. Several remedies may be devised to turn Senprim into a successful and profitable operation. The restructuring of Senprim's current operations would not resolve its operating weaknesses and would maintain the status quo. A liquidation would be attractive to the Government from a purely financial viewpoint and would also be advantageous to a limited number of qualified exporters. Yet, their close links with French vegetable importers would make Senprim even more dependent on the all important French market which already accounts for 80 percent of export sales. The division of Senprim between a production unit of contract growers supervised by MDR and a marketing unit controlled by private foreign investors would be undesirable to private investors who would wield little or no control over production and quality. Only an integrated production/marketing operation with the predominance of a direct production system rather than contract growing would give private investors the opportunity to fully control the production process and maximize earnings.

3. The Minister of Rural Development outlined the Government's plans to develop horticulture around several large scale farms throughout the country. The Minister expressed the objective of the Government to provide income opportunities to rural communities as well as the strong official interest in attracting U.S. private investors. The potential contribution of U.S. investors is deemed particularly desirable because it is viewed as the most effective way to promote a technology transfer for the production of vegetables and because it also is perceived as a significant opportunity to diversify Senegal's export markets.

4. Although privatization represents the best method to cure Senprim's ailments, several critical issues must be resolved to ensure a successful take over by private investors. The turn around of Senprim will require the identification of investors qualified in terms of their track record in the vegetable business and their financial resources which should enable them to provide genuine up front equity equivalent to at least 40 percent of the total project cost (cost of existing assets and improvements, working capital) tentatively estimated at US \$4.5 million. Such an investor might be willing to accept commercial risks and the risks of doing business in a distant and unknown environment in exchange for a payback period ranging from 2.7 to 3.8 years.

5. The improvement of the projected payback towards the lower end of the range and the concomitant probability of landing a U.S. investor will be contingent on the willingness of the Government to provide attractive terms for the purchase of Senprim's fixed assets. The foreign investor would purchase fixed assets through a 7 to 10 year indenture bearing a reasonable rate of interest (10 percent) and would not assume prior indebtedness. Further, the Government should be willing to abide by the results of an independent valuation of existing fixed assets by qualified appraisers which may actually be below the book value of existing assets (CFA 700 million equivalent to U.S. \$2.2 million). Should the Government insist on a relatively high valuation for the assets, it should be prepared to grant special fiscal incentives and liberal conditions for the leasing of the land on a long term basis. Of equal importance would be the recognition by the Government of the investors' operating freedom as it pertains to the selection of the production system, the determination of the scale of operations and the treatment of existing Senprim employees. The consultants are sensitive to the potential conflicts between the private investor's concern for operating efficiency and the social objectives of the Government. For this reason, should the private investor opt for a direct production system, the consultants recommend that the workers' status be improved through performance incentives, profit participation and stock ownership programs.

6. The privatization of Senprim will be contingent of the resolution of these issues by the Government of Senegal. At the same time, the consultants feel that a well targeted technical assistance program would facilitate the privatization process and enhance the chances of its successful outcome. The identification of a qualified U.S. investor would be the cornerstone of such an effort. Another major activity would be the appraisal of Senprim's fixed assets by independent appraisers.

(iii)

The projected cashflow detailing operating costs and investment needs would demonstrate the viability of the proposed Senprim turnaround. This turnaround would be based on a detailed marketing plan to gain further penetration in existing markets and tap new markets. Thus, the proposed technical assistance should also include a marketing survey together with a limited study of quality standards, a key factor in the international vegetable market. These various activities would require approximately 8 months and their cost has been tentatively assessed at US \$276,000.

1.

11. SCOPE OF WORK

The level of effort undertaken for the consultants was defined as follows in the USAID/PRE telex of 07/24/1986 addressed to the United States Embassy:

QUOTE

2. "At this time the initial technical assistance for Crouzet and M'Poko will focus on determining the total cost of achieving privatization, including the implementation phase as well as planning and development. The consultants will also determine whether there are any significant, costly hidden or insurmountable obstacles to carrying out total privatization in a timely manner.

3. Per ref.A Mission is advised Jean Crouzet Dakar ETA o/a 7/17. He will spend approximately 16 work days; 4 work days on each of 4 topics: 1) Marketing (local markets, competition, transportation), 2) production, 3) finance/potential investors, 4) legal. He would be joined by Ben M'Poko for up to 3 work days for marketing and finance.

4. Ref.A confirmed revised scope of work and time table; Ref.A A also confirmed country clearance based on Ref.B. Request you schedule appropriate meetings with Minister, confirm Ministry will provide appropriate local support, including completion of 5 year financials, sales, cost, operational data on Senprim to be available. if possible. on arrival: "UNQUOTE

III. REVIEW OF SENPRIM OPERATIONS

3.1. PRODUCTION

1) In fiscal years (October 1 - September 30) 1983/84 and 1984/85, the total vegetable production sourced by Senprim was 4,018 and 3,305 metric tonnes. Total production for the current fiscal year is expected to equal or slightly exceed that of 1983/84. This level of output compares with approximately 12,000 tonnes in the late seventies prior to the liquidation of Senprim - Bud (Holland) and the subsequent take over by the Ministry of Rural Development in 1979;

2) The early years of operations demonstrated the technical feasibility of growing vegetables in the Cap and Thies regions within 50 kilometers from Dakar for the export and local markets. Except for the period August through October corresponding to heavy rains, the climate is quite favorable to truck farming operations. The vegetables grown by Senprim and other growers include:

- Beans
- String Beans
- Red Peppers
- Cherry Tomatoes
- Cantaloupes
- Tomatoes
- Cabbage
- Onions

Senprim management also anticipates producing eggplants and honeydew melons during the next fiscal year;

3) Approximately 97 percent of the vegetables purchased by Senprim are produced on the farms it operates and supervises. The combined area under cultivation of the three farms operated by Senprim covered 375 hectares in 1984-85. The vegetables are produced by some 625 growers who pledge to sell their output to Senprim at fixed or variable prices. At present, no incentive is provided for superior quality. Senprim supplies contract growers with inputs (seeds, fertilizers, pesticides, water) and extension support. Additionally, Senprim tractors and trailers are used for the removal of the produce from the field to the terminal building. The balance of the vegetables (essentially, 30 tonnes of string beans) is sourced from independent produce farmers in the traditional truck farming areas of Niayes.

4) Each of the Senprim farms is equipped with drilled wells, water storage resevoirs supplemented by adequate irrigation systems (levies, drip-dry and pivots). Each farm is also equipped with a network of roads. Electrical power is provided by generators or the national grid. However, operating conditions vary from one farm to the other. For instance, acid soil conditions and the intensive use of the Kirene farm (178 hectars) over the past fourteen years with limited or no fallow account for lower yields than at Baobab, the other major Senprim farm with 180 hectares under cultivation. In 1984/85, the comparative yields in Kirene and Baobab were at follows:

(Tonnes per Hectare)	<u>Kirene</u>	<u>Baobab</u>
Green Beens	5.27	7.03
Red Peppers	4.98	6.02
Tomatoes	17.74	34.77
Cabbage	1.90	12.73

However, Baobab is producing below its normal capacity. For instance, a normal yield for green beans would be 9 tonnes per hectare and 70 tonnes per hectare would correspond to an average yield for a tomato growing operation. One of the possible reasons for this underutilization of the Baobab farm lies with its location in the heart of the Niayes truck farming region. A large number of the Senprim contract growers also own vegetable plots in the area. Thus their parcels on the Senprim farm probably receive much less attention than their own holdings. They employ a worker and/or relative and make occasional visits to the site. Although efforts have been made to remedy these conflicts of interest, the performance of the Baobab farm is still affected by this factor. Within this context, it should be noted that several major vegetable producers and exporters are adopting a somewhat different approach. For instance, Agrocap with a production of 780 tons in 1985/86 is cultivating 230 hectares of vegetables under a direct production system. Jardima with a production of 1,091 tons and a network of 1800 contract growers is planning an extension of its production by purchasing its own land and growing vegetable crops with its own labor force;

5) The conditioning of vegetables for the export and local markets is undertaken under very difficult conditions at Kirene and Baobab. Kirene has no mechanical grading equipment and no refrigerated facilities. Baobab is equipped with mechanical graders for melons, beans and red peppers but lacks pre-cooling and refrigeration facilities. Furthermore, the former quality

control laboratory is inoperable. Vegetables destined for the export market are trucked at night to Senprim refrigerated warehouses at Dakar airport. With respect to onions and cabbage, no adequate storage facility is available. This overall situation contrasts sharply with the modern grading/precooling/refrigeration installations of Agrocap and Jardima which allow for higher produce quality, better conservation and reduced wastage. The rate of Senprim's rejects on the export markets is reported to be around five percent of export billings equivalent to 50,000.000 CFA (US \$ 125,000) on the basis of 1984/85 results;

6. In summary, there exists significant opportunities for improving vegetable production on Senprim farms. Yields may be increased through the use of improved seeds, better agricultural techniques and closer supervision or control of production. Furthermore, the Baobab farm with a total area of 900 hectares offers opportunities for a sizable expansion of the area under cultivation, if required.

3.2. Export Markets

1. During the recent off season months (December through May), total Senegal exports of string beans, beans, melons, tomatoes, redpeppers, gambos, and eggplant amounted to 6,030 tonnes. This was practically the same tonnage as in 1984/85. Eighty percent of this tonnage is transported by air to France. The balance goes to Germany, Belgium, Holland and Austria. A small tonnage (500 tonnes) found it way to North America, (USA and Canada). Senprim exports of 1079 tonnes accounted for 18 percent of Senegal's exports. As such, Senprim was Senegal's leading exporter of vegetables. Senprim was a major factor in shipments of beans (34 percent of such exports), melons (28 percent), red peppers (17 percent), and eggplants (100 percent). Further details about export of vegetables from Senegal may be found in Appendix 3;

2. In spite of Senprim's leading position in Senegal, several concerns may be expressed:

(i) The continuing decline of Senprim's exports since the late sixties;

(ii) The strong competition from offseason suppliers in Egypt, Israel, Mali and more recently Mauritius who all sell to Western Europe;

- (iii) The extreme concentration of Senprim's sales to France (80 percent of export sales) which makes it vulnerable to temporary imbalances between supply and demand and sharp price fluctuations within the French market;
- (iv) Air transportation bottlenecks and concomittant high costs. The combined weekly cargo capacity of Paris-bound Air France and Air Afrique aircraft is 400 tons per week on a year round basis. The impact of vegetables (200 tons per week over a 7 month period) creates serious difficulties. Airlines prefer to transport higher - revenue generating fish and shellfish products the volume of which is spread more evenly throughout the year. Occasional transportation coordination problems result from flight cancellations. Due to the highly perishable nature of beans and melons, losses are incurred by exporters. Under these conditions, it is not surprising to note the extremely high incidence of transportation costs which account for 36 percent of Senprim's sales revenues as compared to a gross profit margin of 35 percent. The impact of transportation costs would be even higher if it were not for the preferential ATAF (Air France/Air Afrique) rates which are 15 percent lower than IATA rates and provide substantial volume/tonnage discounts. It should be noted that virtually every shipment of vegetables to buyers outside France transit through Paris where it is transhipped to its final destination in Europe;
- (v) Limited market diversification opportunities. Access to other European markets is limited by the lack of direct air transportation routes. In the case of North America, although there currently exists spare air cargo capacity to New York, imports of Senprim and other vegetables from Senegal are restricted by the current USDA regulations which do not currently allow the entry of such products into the U.S.A.
- (vi) Senprim has not demonstrated the ability to generate profits from vegetable exports with the exception of minor product lines such as string beans and cherry tomatoes. In 1984/85, the exportation of these two products yielded gross margins of 64 and 85 percent respectively which were more than sufficient to absorb transportation, selling and administrative expenses for the product lines. Furthermore, all quantities produced for the export market were sold. In contrast, export sales of beans, melons, red peppers were characterized by substantial proportions of unsold products (25% in the case of red peppers, 20% in the case of melons, 10% in the case of beans) and inadequate gross margins of 35 percent or less. Although the high volatility of the French vegetable market may account for some of this

disappointing performance, much of the problem seems to stem from inadequate production scheduling and a lack of coordination between production and sales;

(3) In summary, although export sales by Senprim account for 88 percent of all net sales revenues, its export marketing performance has been disappointing. In addition to keen international competition and real logistical problems, Senprim has exhibited some of the weaknesses associated with "Marketing Myopia": inadequate market place knowledge, overproduction, uneven quality and inadequate gross profit margins. In all fairness, the new Senprim management has started addressing these issues but export marketing remains Senprim's number one operating problem and uncertainty.

3.3. Local Market

1) Although local sales account for only 12 percent of Senprim's sales revenues, their tonnage (1,715 tonnes) far exceeds that of exports (1,100 tonnes). In 1984/85, Senprim marketed 917 tonnes of table tomatoes, 427 tonnes of cabbage, 177 tonnes of cantaloupe melons, 114 tonnes of onions and 80 tonnes of cherry tomatoes. Senprim's overall rate of participation in the local market estimated at 130,000 tonnes was minimal. Senprim markets its production at the farm gate through "Bana-Banas" i.e. buyers/truckers who in turn sell to wholesalers. Moderate quantities are also sold directly to households;

2) Although local price levels more than double during the high rain season, Senprim's performance on the local market has not been profitable. For instance, in 1984/85, cabbage which was sold entirely in Senegal yielded an operating loss of 30,633,000 CFA or 79 percent of the sales revenue generated by this product line. The selling price ranging from 85 to 106,000 CFA per ton was insufficient to cover high production costs resulting from poor yields. (12.7T/ha). It remains to be seen whether the improved 1985/86 yield (25 tonnes per hectare and price(160,000 CFP per tonnes) will translate into a profit. In the long run only a sizeable refrigerated warehouse would enable Senprim to conserve cabbage over a period of several

TABLE I SENPRIM : SUMMARY FINANCIAL STATEMENT

SENPRIM: PROFIT AND LOSS STATEMENT AS OF 9/30/85

(CFA 000's)			
1-	Sales Revenue	945,973	2Sales Revenue
	<u>Less</u>		
2-	Gate Price	162,975	
3-	Materials & Inputs	341,093	
4-	Depreciation	112,455	
5-	COST OF GOODS SOLD	616,523	
6-	GROSS PROFIT	329,452	35X
	<u>Less</u>		
7-	Transportation & Freight	336,840	36X
8-	Export Related Services	67,327	
9-	Selling Expenses	81,638	
10-	Personnel Expenses	93,235	
11-	Other Services (4,082)	574,958	61X
12-	OPERATING LOSS	(245,506)	
	<u>Plus</u>		
13-	Miscellaneous Income	79,777	
14-	Operating Subsidy	144,024	
15-	Interest Received	656	
	ST	224,497	
	<u>Less</u>		
16-	Interest Paid	1,887	
17-	Taxes	2,386	
18-	Other	1,348	
	ST	5,621	
19-	LOSS BEFORE EXTRAORDINARY	(26,630)	
20-	Extraordinary Income	12,111	
21-	NET LOSS	(14,519)	

SENPRIM: BALANCE SHEET AS OF 9/30/85

<u>ASSETS</u>		
1.	Cash on hand and in bank	357,067,440
2.	Receivables	262,405,814
3.	Inventories	47,728,608
4.	Prepaid Expenses	756,593
5.	Current Assets S.T.	667,958,455
6.	Investments	200,000
7.	Plant and Equipment	717,913,247
8.	Other Fixed Assets	500,772
9.	Other Assets S.T.	718,614,019
10.	Total Assets	1,336,572,474
<u>LIABILITIES</u>		
Short Term Debt		
11.	Trade	146,170,329
12.	Advance from Client	787,673
13.	Amounts due GOS	361,521,315
14.	Amounts owed Bank	20,000,000
15.	All other short term debt	10,001,007
16.	Current Liability S.T.	578,480,325
Permanent Capital		
17.	Subsidies Received to Date	657,419,384
18.	Prior Year Accumulated Net Profit	165,193,863
19.	This Year Net Loss	(14,519,099)
	S.T.	808,094,148
TOTAL LIABILITIES AND CAPITAL		1,336,572,474

months and effectively capitalize on price fluctuations. Another example of Senprim disappointing performance on the local market was the marketing of tomatoes in 1984/85 caused mainly by low yields (24 tonnes per Hectare) resulting in high operating costs (71,310 CFA per tonne) exceeding the average level of local sales price (46,000 CFA per tonne) which was only one tenth of the export price;

3) In summary, in spite of the rapid growth of vegetable production expected over the next fifteen years, the outlook for the local marketing of vegetables should be one of caution. If Senprim is going to profitably tap this potential market as an adjunct to its export markets, it must be able to attain higher yields. Such yields are the key to lower operating costs per tonne. Production costs must be carefully controlled so that it is possible to earn an operating profit even though the level of the local selling prices may be expected to remain substantially below that of international prices.

3.4. Financial Condition

1) A summary financial statement as of 9/30/85 is presented in table 1.

2) The profit and loss statement reflects the following position:

(i) A gross profit margin of 35 percent which is not sufficient to cover airfreight (36 percent of net sales revenues), export related services (7 percent), selling expenses (9 percent) and personnel expenses (10 percent). This operating cost structure represents a major structural constraint and unless Senprim can earn an overall gross profit margin of 62 percent, it cannot hope to achieve a breakeven on its operations;

(ii) An operating loss of 246,000,000 CFA caused by a combination of low yields, high production costs, substantial volumes of unsold produce and inadequate sales price levels. This situation was not confined to fiscal year 1984/85 and large operating losses have been recorded since 1980;

(iii) The impact of non operating revenues (export, operating and equipment subsidies) and extraordinary income which resulted in a net loss of only 14,519,000 CFA in 1984/85 as compared with a net loss 42,729,000 CFA in 1983/84;

3) The balance sheet depicts a financial condition which is heavily dependent upon the financial assistance of the Government of Senegal.

The indebtedness towards the Government is offset by subsidies accruing to the cash account. Equipment subsidies have been capitalized. Thus, Senprim's net worth is enhanced by prior year accumulated net profits generated by operating and other subsidies. The net effect is that without Government intervention, Senprim would be bankrupt;

4) Under such circumstances, a ratio analysis would not be very meaningful. The only valid ratio pertain to the utilization of Senprim assets to generate sales revenues, as follows:

- (i) Sales turnover relative to total assets;
0.68 to 1, typical of an overasseted condition.
- (ii) Sales turnover relative to fixed assets: 1.32 to 1,
mediocre;
- (iii) Sales turnover relative to current assets: 1.4. to
1 resulting from high cash balances and slow
receivables.

5) In summary, Senprim's financial condition is quite precarious: Senprim is totally dependent on Government funding and subsidies, its structure operating costs is beset by major constraints and its asset base is not utilized efficiently.

3.5. Legal

1) Except for some old and doubtful receivables which have not been fully provisioned, the Senprim management did not report any major litigation problem. Additionally, the consultants enquired about the legal status of Senprim and the status of the land on which its farms are located;

2) As far as the consultants could discern, the former Bud Senegal jointly owned by the Government of Senegal (majority owner) and Bud (Holland) was formally created in 1972. Its establishment was sanctioned by decree 72-138 dated February 21, 1972. In 1979, Bud Senegal was declared bankrupt. A receiver was appointed and an appraisal of the fixed assets was completed in September 1980. The corporation was not dissolved and the assets of Bud Senegal were never liquidated. Thus, the government has remained the legal owner of Bud Senegal. Subsequently, the name was changed from Bud Senegal to Senprim (Senegalaise de Primeurs) and the operation of Senprim was entrusted to the Ministry of Rural Development. The managing director reports directly to the Minister of Rural Development (MDR). It should be noted that the identity of Senprim does not follow the systems and procedures of government accounting and its accounts are audited every year by an independent auditor (an affiliate of Arthur Young International) in conformity with the statutory requirements;

3) The legal status of the land on which the Senprim farms are located is governed by decree 76-11 (Ministere Des Finances et Affaires Economiques) dated June 11, 1976. This decree approves the transfer of the government owned parcels of land ("national domain") corresponding to the Kirene (127 Hectares) and Baobab (707 Hectares) to Bud Senegal for the purpose of conducting agricultural activities. However, this transfer did not involve the ownership of said parcels but only possession and/or usufruct rights. The decree did not specify the duration of such an arrangement which could run either for 99 years or until the dissolution of the company. In practice, the decree meant that these parcels of land were to be legally exploited by Bud Senegal and/or its successor. Thus, Bud Senegal and/or Senprim are lawfully authorized to assign plots of land to contract growers and are entitled to terminate such contractual arrangements for cause. This right of termination has been exercised by Senprim from time to time. Since 1972, the Kirene and Baobab farms have been expanded and Senprim has acquired the S1-Bis and KSM farms. It is assumed that these additions and new parcels will be identical to that of the initial ones. However, their status should be verified in the event of the privatization of Senprim.

IV ALTERNATIVES CONFRONTING SENPRIM

Whichever scenario will be selected for the future direction of Senprim, it is likely to be heavily influenced by government policy and the perceived attitude of private foreign investors. Such a scenario should seek to minimize the possible divergences between government policy and the attitude of these investors.

4.1. Objectives of the Government Agricultural Policy

The major tenets of the official policy may be summarized as follows:

(i) Expand horticultural activities (vegetables, tropical fruits, flowers) around certain poles of attraction patterned after the Kirene and Baobab farms model with a view to reaching self-sufficiency in vegetables and promoting high-priced exports;

(ii) Reduce rural exodus by providing adequate and stable income earning opportunities to farmers and developing their entrepreneurial skills;

(iii) Attract private foreign investors (preferably from the United States) interested in taking over Senprim operations. Such a take-over is deemed to be highly desirable for Senprim and Senegalese farmers would enjoy the benefit of improved agricultural technology. At the same time, the presence of US investors would provide Senprim the opportunity to enter the North American market and diversify its export sales.

4.2. Perceived attitude of Private Investors towards Senprim.

Any private investor (Senegalese or European or American) would seek to recover its investment in Senprim over a relatively short period of time (3 to 4 years or better). Foreign investors would insist on complete freedom of operations so that they would retain the production system most likely to yield maximum profitability. At the same time, private investors would expect that MDR would undertake related activities which would assist them in reaching their profitability objectives. Such activities would involve the development and/or adaptation of new vegetable varieties or hybrids best suited to Senegalese climatic and environmental conditions as well as the definition and strict implementation of grades and standards compatible with international norms.

4.3. Operations Restructuring

This scenario will result in the elimination of Senprim's operating loss over the next two years. The management of Senprim believes that the Co. could reach the breakeven point by improving yields, scheduling of production and sales more strictly, making maximum use of lower priced marine transportation for melons, red peppers, eggplants and saving up to 50 percent equivalent to 150,000 CFA per tonne as well as developing sales on the export and local markets. Whilst this objective is certainly worthwhile, such a course of action is likely to simply result in a status quo. Reasonable doubts may be expressed as to the operating flexibility of management under this alternative and about the financial viability of this scenario. Thus, it is probable that the Government would have to continue subsidizing substantial operating losses and the acquisition of new equipment. For all reasons, the restructuring of Senprim is not deemed to be a viable solution.

4.4. Liquidation

The purpose of liquidating Senprim would be to terminate the financial hemorrhage and its concomitant operating and equipment subsidies at an annual rate of 250,000.000 CFA. From a purely financial point of view, this alternative would probably represent an income earning opportunity for the GOS. Based on the audited financial statement dated September 30, 1985, current assets of 668,000.000 CFA would be more than sufficient to pay for current liabilities of 578,480.000 CFA. The sale of Senprim's fixed assets (book value of 717,913.0000 CFA) would yield an undetermined amount of cash depending on the liquidation value of such assets. Additionally, the Government may require a rental fee for the use of the land which is not included in Senprim's fixed assets. However desirable this scenario may appear from a profit standpoint, the Senprim investment opportunity would be tapped primarily by local and or European investors. However, this scenario would not result in any notable transfer of technology and would probably further Senprim's dependence on the French market. Thus, it is not a viable alternative.

4.5 Privately owned marketing company

This scenario was outlined to the consultants by the Minister of Rural Development. Under this model, foreign private investors would be involved solely in marketing operations. The marketing company would source its vegetables from contract growers operating on Senprim farms. The Minister further mentioned that the Government would provide free extension services to the contract growers. This formula might be attractive to a private investor to the extent that his operating costs might be lessened and that his initial investment in fixed assets would be substantially reduced. It would be limited to mechanical graders, pre-cooling and refrigerated equipment, quality control facilities and refrigerated trucks (possibly 400 to 500,000.000 CFA). However, it is doubtful that such an arrangement would be acceptable to a private investor for the following reasons:

- (i) Lack of control over production and quality;
- (ii) Uncertainty about the ability of the GOS to provide free and adequate extension services for an indefinite period of time;
- (iii) Questions about the scope, depth and quality of GOS sponsored extension services;
- (iv) Perceived continuing presence of GOS in vegetable production which would favor contract growers and fear of possible Government interference.

4.6. Privately owned integrated production/marketing company with preponderance of an indirect production system. (contract growing).

(1) The key points to be considered under this scenario are as follows:

(i) The privately owned integrated company would purchase the fixed assets of Senprim;

(ii) GOS would finance the purchase of the assets under reasonable conditions (extended maturity and preferential fixed interest rate);

(iii) Seasonal contracts between the integrated company and the contract growers specifying the obligations of each party. The company would seek to control production and quality as much as possible and operate on the basis of fixed season prices. The company would also want to exercise the right to terminate contracts with growers whose performance is not satisfactory;

2) In the absence of detailed financial information and projections the consultants have attempted to evaluate the payback corresponding to this scenario on the basis of the operating margin range (10 to 15 percent of sales revenues) supplied by local vegetable exporters currently sourcing their produce from contract growers. For illustrative purposes only, let us assume the purchase of the fixed assets at Kirene and Baobab for a maximum consideration of 700,000.000 CFA, corresponding to their book value, an additional fixed investment of 500,00,000 CFA (grading, precooling, cooling equipment and refrigerated trucks) as well as a working capital investment of 300,000.000 CFA (3 months of sales), the total investment would be 1,500,000.000 CFA (or US \$ 4,545,000 as of September 1986). Based on a sales turnover/total assets ratio of 1, an operating margin of 12.50 percent, an export subsidy of 15 percent on export proceeds (80 percent of all sales revenues), a corporate income tax of 33 percent and a twelve year overall depreciation of fixed assets, the expected pay back period under this scenario would be approximately 4.33 years. Such a project represents a marginal investment opportunity especially when the foreign investor considers country specific risks. It would not be acceptable to such an investor.

4.7. Privately owned integrated production/marketing company with preponderance of a direct production system (direct hire workers)

1) The direct production system allows the closest control of vegetable production and quality. For this reason, it offers the best operating conditions for the prospective integrated company. Although the company workers may lose some of their independence as compared to contract growers, their compensation may be tied in part to performance. Thus, willing employees are likely to earn higher incomes. It should be emphasized that several of the major vegetable exporters in Senegal already use the direct production system and/or are planning to use it. According to these exporters, contract growing is beset with high procurement costs and difficult operating conditions. The trend toward a heavier reliance on direct operations portends the likely growing impact of this system in vegetable growing operations in the country;

2) The level of investment would remain identical to that of the preceding scenario, with the exception of the estimated operating margin, all other assumptions remain unchanged. Based on the summary indications provided by local growers, the operating margin derived from direct production operations would range between 15 and 20 percent. The consultants have retained a 17.50 percent operating margin level for the purpose of estimating the payback period. Under this scenario, the expected payback period

would be 3.78 years. This represents an improvement over the preceding case. Such an investment opportunity would be less than average but is likely to prove acceptable if appropriate investment incentives are offered so that, the proposed pay back period would be shortened below 3 years (for further discussion, refer to 5.4).

4.8. Recommendation

The direct production approach is likely to be adopted by a private investor as a viable more approach and should be retained. The closer control of production at each stage of the process coupled with the on-going search for higher productivity through improved inputs, cost reduction procedures and performance incentives suggest that a predominantly direct production system would yield higher profits and would be preferred by private investors. The consultants are aware and sensitive to the potential trade offs between efficiency and maximum return of investment on the one hand and social policy objectives of the GOS on the other.

V Critical Issues for the Privatization of Senprim

If Senprim is going to be privatized successfully, several issues must be resolved namely:

- (i) Attracting qualified investors;
- (ii) Structuring a sound financial plan;
- (iii) Determining a fair fixed assets value;
- (iv) Obtaining appropriate incentives;
- (v) Recognizing operating freedom of private investors;
- (vi) Reducing the uncertainty of export markets and Senprim sales; and,
- (vii) Implementing an effective quality control system based on strict grading standards.

5.1. Attracting Qualified Private Investors.

1) The proper identification of the appropriate foreign investor is of paramount importance. The consultants believe that the following qualifications would correspond best to the Senprim situation:

- (i) Prior operating experience in developing countries;
- (ii) Successful track record in vegetable growing and marketing. Alternatively, the combination of an investor and experienced technical partner would be acceptable;
- (iii) Knowledge of international vegetable market (Europe and North America; and,
- (iv) Adequate financial resources, namely a net worth in the US \$10 - 20 million range.

2) The search for such an investor in the United States will not be easy. The consultants believe that the middle market offers the most promising prospect for a qualified investor interested in investment opportunity in Africa. Larger companies (Fortune 1000) would be worthwhile candidates. However, most of them (Campbell, Dole etc..) are oriented toward Latin America (Mexico) and or the Far East (Philippines) where they maintain much larger scale operations.

5.2. Structuring a Sound Financial Plan

1) To a large degree, the success of the Senprim privatization will depend on a soundly structured financial plan whose major tenets will be as follows:

- (i) Privatization will be effected through the purchase of Senprim's fixed assets, based on an independent appraisal of the market value of the business combined with an appraisal of the assets by qualified appraisers. Under such conditions, GOS would be expected to assume Senprim's indebtedness;
- (ii) Genuine up-front equity contribution by private investors. Single ownership would mean a simpler capital structure and operations. Yet, it would entail a higher contribution by the foreign investor. Thus, the foreign investor may welcome qualified local minority partners;
- (iii) Overall debt should not exceed 60 percent of the total project cost tentatively estimated at US \$4,500,000. A higher ratio of indebtedness would unduly burden operating results; and,
- (iv) Willingness of the Government of Senegal to finance the purchase of Senprim assets under reasonable conditions (7 to 10 year maturity, fixed rate of interest in the 10 - 12 percent range (etc..))

5.3. Determining a Fair Fixed Assets Value

1) No appraisal of Senprim assets is currently available. The only available documents are the latest audited financial statement for the fiscal year ended September 30, 1985 and a more recent (February 1986) detailed listing of all assets (buildings, equipment, tractors/trucks, infrastructure) for each location. These listings indicate the acquisition date of each recorded item, its initial purchase price, accumulated depreciation and the resulting book value. Both documents indicate an almost identical order of magnitude (718,414,000 versus 713,414,000 CFA);

2) Although these documents represent a good start, the consultants feel that the book value does not constitute a true representation of the fair value of these assets. For instance, during their visit to the Senprim farms, the consultants observed a number of items in total disrepair and/or in an inoperative condition. The consultants are of the opinion that most of these items should have been written off. Yet, they are still carried on the books. Furthermore, the very nature of most of Senprim's assets (land development: 37 percent, roads: 14 percent, irrigation: 12 percent, electrical: 7 percent or a total infrastructure investment of no less than 70 percent of all fixed assets) and the absence of a ready market for such facilities complicate the valuation process;

3) All these doubts and question should be dispelled with the availability of an independent evaluation by qualified appraisers with a strong agribusiness background. Such an appraisal should be based on a complete listing of all assets and take into consideration liquidation value, rehabilitation and replacement costs as well as the valuation of Senprim as a going concern capable of generating profits in order to determine a fair valuation.

5.4. Obtaining Appropriate Incentives

1) If the Government of Senegal is truly determined to attract U.S. and foreign private investors for the take over of Senprim, it must be inclined to either consent to a valuation of fixed assets which would be less than book value or grant incentives over and above the standard provisions of chapter 2 of the Grand Investment Code of June 26, 1981. Chapter 2 applies to priority enterprises (investment cost ranging from 200,000,000 to 2,000,000,000 CFA). Chapter 2 outlines a number of exemptions from value added tax, import duties on materials and equipment, lubricant and fuel taxes, real property levies, license tax, tax on circulating assets etc. These incentives are comparable to those of most investment codes around the world. The exemption from import taxes and duties, including added value tax for a period of 8 years on seeds, chemicals, fertilizers, herbicides and pesticides is particularly attractive. At the same time, chapter 2 is silent on corporate income tax exemption or holiday, a standard procedure in many developing countries. Only approved enterprises within the purview of article 3 (minimal investment program of 2,000,000,000 CFA implementable in three years) are eligible for a special fiscal status which must be authorized by the Interministerial Investment Committee and ratified by a special agreement. Article 3 provides possible derogations to the minimum investment requirement to "enterprises offering a particularly important economic or social interest in connection with the objectives of the Development Plan;

2) It is hoped that the Government would adopt a flexible attitude with respect to a temporary exemption in whole or in part from corporate income tax. A 50 percent exemption from the corporate income tax during the first four years of operations by a foreign investor would improve the expected payback period of an initial investment of US \$4.5 million from 3.78 to 3.19 years. A 100 percent tax holiday during the same period would the expected payback to 2.71 years. Under such conditions, the investor would be able to base his investment decision on a more attractive estimate of potential earnings as compared to other alternatives he may have for maximizing the return on his investment.

5.5. Recognizing the Operating Freedom of Private Investors.

1) The predominantly profit oriented objective and operating style of the private investor may be divergent from the political, social and economic goals of the GOS agricultural policy. Several areas of potential conflict may be anticipated, namely:

- (i) Selecting the appropriate System of production. Potential private investors would probably opt for a predominantly direct production system. This approach which is quite justified from an operations standpoint is likely to disrupt the existing network of Senprim contract growers. Furthermore, the replacement of contract growers with direct hire workers may be a politically sensitive issue. However, the condition of the workers could be improved substantially. Employees of the new company could be motivated through performance incentives, profit participation schemes and stock option plans. Such arrangements would be aimed at turning employees into participants actively interested in the future of the company;
- (ii) Determining the scale of operations best suited to the investors needs and resources. Private investors may be only interested in the take over of the Baobab farm which offers better soil conditions and ample room for expansion. Thus, it is not illogical to ask whether the GOS would favor or oppose a "shedding" of Senprim;
- (iii) Retaining existing Senprim employees. Obviously, private investors would insist on their rights to retain only the better qualified employees, submit them to a trial period and eventually terminate non performers. The Labor Ministry has not been reported to be forthcoming with termination approvals, except for cause. Would it be inclined to show greater flexibility in this case?

2) Other areas of potential conflict could be outlined. More importantly, they should be resolved clearly as early as possible since the interest of foreign private investors in Senprim will be contingent upon the degree of operating freedom they shall be recognized by the various agencies of the GOS.

5.6. Reducing the uncertainty of export markets and Senprim sales

1) Although Europeans are willing to pay premium prices for imported quality fresh produce during winter months, this does not automatically mean that vegetables from Senegal in general and Senprim in particular have a ready and unlimited market in Europe. For instance, Senegal has been losing ground steadily with respect to cantaloupes as a result of a perceived deterioration in quality (sugar content) and the increased competition from Israel. Red peppers are also provided by Egypt, Burkina Faso and Kenya. Eggplants are barred from the French market which is supplied by Guadeloupe and Martinique. However, Senegal seems to enjoy a well established market position in green beans and string beans. Cherry tomatoes from Senegal also sell quite well in Holland and Germany;

2) Additionally, uncertainties should be reduced at the level of each national market within Europe and elsewhere. Although the French market will continue to be a major market for Senegal, Senprim ought to improve its knowledge of other major European markets (Germany, United Kingdom, Scandinavia, Benelux) and participate more actively in such markets. Furthermore, although some Senegalese exporters (SOEX, Toll - selection) are beginning to tap the U.S. market directly from Dakar, to date Senprim has not embarked upon a program of penetration of this market. Therefore, significant market diversification opportunities appear to exist for Senprim and other qualified exporters;

3) Finally, uncertainties should be minimized at the transportation and distribution levels. Fresh solutions must be devised to alleviate the transportation bottleneck and Senprim ought to conduct an audit of its distribution costs, pricing arrangements and related issues to insure maximum operating efficiency;

4) In summary, an appropriate strategy must be formulated to marketing uncertainties and reduce such risks to manageable proportions. This marketing oriented approach should be based on a careful investigation of the main existing and potential export markets and distribution methods.

5.7. Maintaining High Quality Standards

1) The image of Senegal and major vegetable exporters including Senprim as quality suppliers is occasionally tarnished by the practice of less scrupulous exporters who ship substandard produce and/or produce containing worms and other parasites.

According to the statistics of the phytosanitary control department at Dakar airport only 48% of the vegetables exported during the 1985-86 season were considered of good quality as compared with 52% of exports whose quality was termed "FAIR";

2) The starting point would be the definition and strict application by the GOS of United States style (the strictest in the world) grading norms and quality standards. Such a system would go a long way towards enhancing Senegal's image as a reliable quality producer. It would require an adequately trained staff and the availability of a modern terminal with cooling facilities where control and other export related facilities would be undertaken prior to shipment;

3) At the same time, Senprim should be equipped with appropriate mechanized grading machinery and refrigeration installations/trucks. This equipment would allow more consistency in grades (an important element of quality) and longer conservation (freshness is another important marketing consideration). Senprim would stand to benefit from improved produce quality which generally translates into higher prices.

VI Need for Technical Assistance.

1) Privatization is probably the most efficient method to turn Senprim around from a deficit ridden and over assetted position to that of a leaner and profitable business organization. At the same time, the successful privatization of Senprim will require the resolution of the critical issues identified in the preceding section. Within this context, the consultants are of the opinion that a carefully designed and well targeted program of technical assistance would be instrumental in starting and facilitating the privatization process. The program would cover the following activities:

- (i) Identification of qualified investors in the United States;
- (ii) Appraisal of Senprim fixed assets with a view to determining a fair value for such assets;
- (iii) Preparation of cashflow based on detailed operating costs and investment needs for the purpose of providing prospective investors realistic projections and formulation of a realistic plan for the turnaround of Senprim;

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TABLE 2 - PROJECTED TECHNICAL ASSISTANCE PROGRAM FOR THE PRIVATIZATION OF SENPRIM:

ACTIVITY	SCOPE OF WORK	PERSON DAYS	DIRECT LABOUR COSTS	OVERHEAD COST	OTHER DIRECT COSTS	FEE	PER DIEM COSTS	TRAVEL EXPENSES	TOTAL COST	DURATION PERSON MONTHS	SKILLS REQUIRED
IDENTIFICATION BY QUALIFIED INVESTOR	<ul style="list-style-type: none"> *Definition of investor profile *Investor search focussing on mid market companies 	60 days	15660	14410	3000	3310	- 0 -	- 0 -	36380	2.4 PM	<ul style="list-style-type: none"> *Knowledge of vegetable producing/distribution companies in U.S. *Understanding of U.S. mid market.
APPRAISAL OF FIXED ASSETS	<ul style="list-style-type: none"> *Determination of fair value of assets based on listing, book value, rehabilitation costs, replacement value and "going concern" valuation 	50 days	<ul style="list-style-type: none"> *Appraiser and CPA 40 days x 500 *IPC Consultant 20 days x 261 25,200 	<ul style="list-style-type: none"> IPC CONS 2300 	2500	<ul style="list-style-type: none"> IPC FEE 3000 	<ul style="list-style-type: none"> IPC CONS 2500 	<ul style="list-style-type: none"> IPC CONS 2300 	<ul style="list-style-type: none"> OUTSIDE PROFESSIONALS & IPC CONS 37800 	2.1 PM	<ul style="list-style-type: none"> *Local appraisers with agribusiness and agricultural/mechanical engineering background. *Participation of Senprim CPA (Belton - affiliated with Arthur Young) *Coordination by consultant
PREPARATION OF CASH FLOW	<ul style="list-style-type: none"> *Projection of investment needs and operating costs under private ownership. *Debt servicing projections *IFE analysis *Outline of strategic plan for expected turnaround 	60 days	15660	14410	2000	3210	3000	4600	44480	2.0 PM	<ul style="list-style-type: none"> *Team consisting of Agronomist specialized in vegetable production and financial specialist *Ability to outline strategic plan for turn around of Senprim operations under private ownership. *French language preferred.
MARKETING SURVEY	<ul style="list-style-type: none"> *Current and potential market evaluation, assessment of competition appraisal of pricing and distribution channels in existing European markets (France/Germany/Benelux/Switzerland), Potential European markets (U.K. and Scandinavia), U.S. East Coast major urban centers and Eastern Canada (P.Q. and Ont.) *Preparation of International Marketing Plan. 	110	28710	26410	3000	6010	13500	8000	87730	4.2PM	<ul style="list-style-type: none"> (12M=16 days) Europe: 2 @ 1.0PM USA: 1.5PM Canada: 0.7PM *Knowledge of Vegetable markets and distribution channels in markets *Marketing planning ability *Understanding of air and marine transport
DEFINING AND QUALITY STANDARDS	<ul style="list-style-type: none"> *Definition of U.S. level grading and quality standards. *Assessment of training needs. *Evaluation of institutional environment. 	26	6790	6240	1000	1400	3000	2500	20930	1.0PM	<ul style="list-style-type: none"> *Combination of technical and market skills. *In depth knowledge of grading norms and quality standards. *Understanding of institutions involved in quality control.
INVESTMENT PROMOTION	<ul style="list-style-type: none"> *Preparation and mailing of promotion dossier *Organisation of two investment promotion symposiums with participation of USG and GCS officials 	70	18270	16800	7000	4200	1000	1000	48270	2.4PM	<ul style="list-style-type: none"> *General promotion experience combined with financial/ investment promotion.

- (iv) Survey of major existing and potential vegetable export markets (Western Europe and North America) and definition of marketing strategy (products, quality, pricing, transportation and distribution) aimed at improving market share;
- (v) Preliminary technical study for the definition and implementation of US level grading standards and quality controls norms by the appropriate GOS agency. The implementation of strict production and quality standards is likely to induce USDA to consider the removal of its ban on Senegalese vegetables and fruits. The preliminary study may lead to more comprehensive USAID sponsored investigation; and,
- (vi) Project promotion.

2) A description of the level of technical assistance is provided in Table 2 which summarizes the scope of work, the estimated number of person months, the cost, the duration and the skills required for each of the above mentioned activities. The overall level of effort has been estimated at 14.2 months and a total cost of US \$276,000 broken down as follows:

(i) Identification of qualified investors	\$36,400
(ii) Appraisal of fixed assets	\$37,800
(iii) Preparation of cash flow	\$44,500
(iv) Marketing survey	\$87,700
(v) Technical study - grading standards	\$20,900
(vi) Project promotion	\$48,300

Technical assistance activities would require approximately eight months from the starting date mutually agreed by GOS and USG officials. The activities connected with investor identification, the appraisal of fixed assets, the marketing investigation and the technical study of standards may run concurrently. The inputs of all these investigations will be used for the preparation of the projected cashflow, the assembling of the project dossier and the investment promotion campaign.

APPENDIX I
LIST OF CONTACTS

U. S. EMBASSY, DAKAR

The Honorable Lannon Walker, United States Ambassador
Mrs Jennifer Ward, Deputy Chief of Mission
Mr. H. Clay Black, Head of Economic and Commercial Section
(Outgoing)
Mr. Joseph T. Sikes, Head of Economic and Commercial Section
Mrs. Portia McCallum, Commercial Officer
Mrs. Carol Tyson, Deputy Director, USAID
Mr. Harold Lubell, Program Director
Mr. James Ito, Regional Controller USAID
Mr. Ronal Harvey, USDA

GOVERNMENT OF SENEGAL

His Excellency Famara Sagna - Minister of Rural Development
Mr. N'Daye, Chief of Staff, Ministry of Rural Development
Mr. Dagne, Technical Advisor, Ministry of Rural Development
Mr. MBA, Treasury Department (receiver of Bud Senegal)
Mr. Christian Valantin, Representative, National Assembly and
legal counsel.

SENPRIM OFFICIALS

Dr. Waly A. Ndiaye, Managing Director
Mr. Lamine Ndiaye, Chief Agronomist and Manager of the Baobab
farm.
Mr. Samb, Chief Accountant

Local Businessmen - see next page

LOCAL BUSINESSMEN

Mr. Guy Crozes, Legal Counsel Fiduciaine France Afrique
(Associated with Arthur Young)
Mr. Michel Berda, Partner, Cabinet Helios (Associated with
Arthur Young)
Mr. Mounir Filfili, Chief Executive Officer, AGROCAP (vegetable
producer and exporter)
Mr. Michel Isidonre Layousse, Financial Director, Group
Layousse (owner of Jardima, vegetable producer and exporter)
Mr. Dialo, Chief Executive Officer, SOEX (vegetable producer
and exporter)
Mr. Francois Faye, Sea Freight Department, SOCOPAO.
Mr. Diop, Sea Freight Department, SOCOPAO.
Mr. M. N'Dioeur, Cargo Department, Air Afrique
Mr. Si, Seputy Manager, Cargo Department, Air France
Mr. M.P. Gueye, Principal, CESTING (Appraisers).

APPENDIX 2 - SUMMARY

BIBLIOGRAPHY

ENGLISH LANGUAGE DOCUMENTS

1. U.S. EMBASSY - DAKAR

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AGRO - Industry in Senegal: Food Processing and packaging,
January 1985
Grand Investment Code of June 26, 1981
Copy of 1983 treaty between USG & GOS concerning the
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2. OPIC - WASHINGTON

Data bank profile of nine possible US investors for the
privatization of Senprim, April 1986.

3. PRICE WATERHOUSE

Information guide: "Doing Business in Senegal", June 1982.

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1. Agence Canadienne de Developpement International

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2. SENPRIM

Liste des immobilisations, Fevrier 1986
Rapport sur les comptes - Exercice clos le 30 Septembre
1985, Decembre 1985.
Comptes D'exploitation 1983/84 et 1984/85 (Documents extra
comptables)
Rapport d'expertise no. 8390/T, 29 Septembre 1980.
Liste des clients
Compte Rendu de Mission effectuete par Monsieur Waly A.
N'Diaye en Europe du 13 Avril au 10 Mai 1986, 23 Mai 1980.
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3. MINISTERE DU DEVELOPPEMENT RURAL

Nouvelle Politique Horticole: Filiere Societe Technico -
Commerciale, Janvier 1985.
Plan de Developpment Maraicher et Fruitier, Janvier 1986
Les Perimetres Maraichers Senprim de 1979 a 1985.

4. DIVERS

Rapport du Groupe D'Etude sur la Cession D'une Partie du
Portefeuille de L'Etat (Document non date)

APPENDIX 3 - EXPORTS OF OFFSEASON SEASON VEGETABLES AND FRUITS
FROM SENEGAL - 1985/86

STATISTIQUES DES EXPORTATIONS DE FRUITS ET LEGUMES

(FIN NOVEMBRE 1985 AU 31 MAI 1986)

DISSEMENTS	H.V.F.	H. BOBBY	MELONS	TOMATES	PIMENTS	COMBOS	AUBERGINES	MANGUES	TOTAL	ETAT PHYTOS
TOGAP	239.259	92.908	254.705	148.881	39.978	4.277	-	-	779.608	BON
ME	107.784	222.143	11.483	-	17.004	-	-	-	358.414	ASSEZ
ADIMA	580.978	265.417	1.640	4.699	134.463	440	-	-	987.637	BON
PAM	390.452	161.036	433.827	5.017	85.666	1.872	-	12.729	1.090.599	ASSEZ
NPRIM	31.653	626.297	306.473	15.786	95.852	-	3.118	-	1.079.179	BON
DCA	100.357	40.052	-	-	4.304	-	-	-	144.713	ASSEZ
DEI	186.008	35.642	-	-	21.092	-	-	-	242.742	ASSEZ
DOHI	106.054	97.516	16.171	-	56.271	-	-	-	276.012	ASSEZ
DL-SELECT.	610.509	236.456	-	-	105.438	-	-	-	952.403	ASSEZ
AA F	-	-	79.989	-	-	-	-	-	79.989	ASSEZ
AO	3.258	34.021	-	-	2.258	-	-	-	39.537	ASSEZ
NIMEX	4.464	7.720	-	-	-	-	-	-	12.184	BON
TAL	2.360.776	1.818.808	1.104.288	174.383	562.326	6.589	3.118	12.729	6.043.017	
									6.030.288	expl. MANC

PRINCIPALIS IMPORTATEURS

: FRANCE - ALLEMAGNE - BELGIQUE - SUISSE - HOLLANDE - AUTRICHE - USA - ANGLETERRE - POLOGNE.

RAISON D'EXPEDITIONS

: 2856 DONT 83 DEBARQUEES POUR REFOULEMENT.
(présence de chenilles endophytes non identifiées ou maladies).

LE CHIEF DU BUREAU