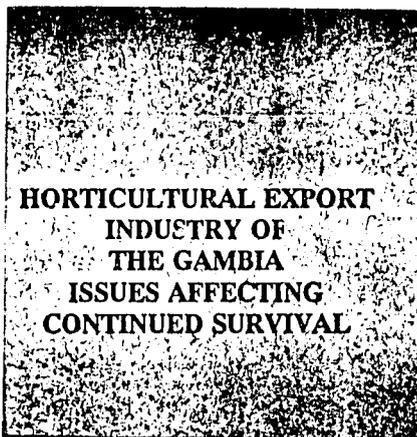


CARGILL

PN ABX-352



**HORTICULTURAL EXPORT
INDUSTRY OF
THE GAMBIA
ISSUES AFFECTING
CONTINUED SURVIVAL**

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Financed by:

**USAID
Finance and Private Enterprise Development**

1 June 1994

GM.831

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

While The Gambia's horticultural export industry has seen expansion in recent years, the 1992/93 and 1993/94 seasons have brought declining margins, the failure of a number of small businesses, and the reduced profitability of larger businesses. The Government must address the issues facing producers if the industry is to simply survive let alone generate the jobs, export receipts and tax revenues which appear to be possible.

This paper presents a brief profile of the industry in The Gambia, together with some comparison with major competitors in the international arena. Key issues affecting the performance of the industry are highlighted to provide a focus for increased Government support to the industry.

Five key issues are highlighted for Government's attention:

- The most immediate concern to producers is the *cost of fuel*, which is considerably higher than costs faced by The Gambia's major competitors, because of a Government duty on fuel. It is recommended that the Government consider a scheme to waive or reimburse these duties for horticultural exporters. The scheme could be performance based, that is, it would reward enterprises on the basis of bona fide export receipts. The budgetary impact of the scheme requires due consideration.
- *Limited freight availability and the cost of freight* to small producers and new entrants into the sector is the major factor constraining the future development of the horticultural export industry. It is recommended that Government initiatives to attract greater aircraft movement through Banjul be defined and pursued vigorously. A reduction of fuel costs through greater competition and reduced through-put charges might achieve short-term success.
- There are no *public post harvest facilities or support services* available to private sector producers in The Gambia. The costs of post-harvest infrastructure development are prohibitive to small producers and new entrants into the industry. It is recommended that Government support be given to exploring the feasibility of a privately operated cold store facility to which small producers have access.
- Because Gambian producers are dependent on groundwater for irrigation, all producers face *major costs in essential infrastructure development*. Most of The Gambia's competitors can access surface water irrigation, where infrastructure costs have been financed through the Government. It is recommended that Government support be given to initiatives which increase competition in the borehole drilling industry and to initiatives which increase the availability of development finance for infrastructure development.
- Only one producer in The Gambia possesses the capital, managerial and market contacts necessary to consistently satisfy European quality, packaging and delivery standards. It is recommended that Government support be vigorously given to *attracting foreign investment* into the industry and to integrating domestic outgrowers with these export operations.

MAIN REPORT

1 INTRODUCTION

The Gambia's horticulture export industry has seen some expansion in recent years leading up to the 1993/94 growing season, and has a number of advantages not least of which is its proximity to Europe. The increase in exports, however narrowly based, supports the assertion of comparative advantage for The Gambia, and indicates that the industry, if properly supported and nurtured, could become a very important contributor of jobs, foreign exchange earnings and tax revenue.

Despite this, there is evidence to suggest that the industry is not advancing as might be expected:

- While a number of entrepreneurs have made a bid to enter this export-oriented business, they have met with limited success.
- Of the two existing businesses that have adequate production and post-harvest infrastructure (including cold storage) to survive in the export business, one is looking to sell its operations due to poor financial performance, and the other is considering reducing the level of its activities and placing future investment in neighbouring West African countries.
- Despite the positive advantages offered by The Gambia, the country has failed to attract the level of foreign investment required to supply the capital, and technical and managerial expertise required to realise the country's potential in this industry.

It is critical that the Government addresses the concerns of the industry if it is to compete in the international markets. The future of the industry depends on achieving and maintaining a competitive edge in the international trade arena.

The purpose of this short paper is to draw Government's attention to the key issues affecting the horticulture industry in The Gambia, and highlight measures required to support the industry.

Cargill Technical Services Ltd (CTS), under auspices of the FAFD programme (financed by the USAID and managed by Nathan Associates Inc), has recently undertaken work to draw up commercial strategies for four landowners in The Gambia who are seeking to develop horticultural production and export businesses. During the course of this work, a number of the issues affecting the development of the horticulture industry were highlighted. It should be noted that the data provided in this report has been developed on the basis of this study, and has been supplemented by some additional desk research to provide comparative data for competing exporting countries. There are limitations to the quality of the comparative data as there have been no specific field trips made to any of the other countries discussed in the report, and additional work would be required to provide precise up-to-date information. Nevertheless the information set out in this paper provides a useful basis from which issues affecting The Gambia's industry can be reviewed.

The paper is structured in three further sections. Section 2 provides some background to factors affecting the export performance worldwide. Section 3 provides a profile of The

Gambia's industry and its support services and infrastructure, and it examines key costs of the industry, and the country's competitiveness. Throughout some comparison of key parameters and costs is provided for major competing nations. Section 4 provides a summary and conclusion to the paper.

2 GENERAL TRENDS AND FACTORS AFFECTING EXPORT PERFORMANCE

A limited number of developing countries dominate horticultural exports. There is stiff and aggressive competition between these countries, and their relative shares of world trade shift from time to time. The limited number of competitive countries is explained partly by the agroecological characteristics of individual countries and partly by the limited size, in many cases, of the total world market for individual commodities.

Export performance differs widely among countries. Limited and scattered evidence suggests that, in addition to variations in agroecological endowments other factors include:

- Differences in labour-land productivity resulting from research and development efforts and particularly in the state of export-related infrastructure are important.
- The status of the industry with regards to availability and cost competitiveness of inputs and essential infrastructure.
- The organisation of an effective system of packaging, processing, storage, transportation, and distribution, both nationally and internationally, is crucial to success in horticultural exports. Economies of scale benefit these activities by reducing their costs significantly, and this price advantage helps promote exports.
- Developing countries need to design appropriate techniques and to organise production in ways that will facilitate the linking of large-scale marketing and distribution channels with small farmers in order to take advantage of their comparatively low labour costs.
- For successful export performance, a country must be first in the field, and it must carefully nurture its markets to attract consumer preferences toward its products.
- In addition a large domestic market often provides both a springboard for the growth of exports and a cushion to absorb the shocks or uncertainties of export markets, except in the case of products exclusively produced for and sold in export markets.
- Macroeconomic policies, especially trade and exchange rate policies that generally favour the export orientation of an economy, also help promote horticultural exports.

The following sections of the report provide a review of the status of the industry in The Gambia, the status of key parameters discussed above, the effective performance of the industry.

3 PROFILE AND PERFORMANCE OF THE GAMBIA'S HORTICULTURAL INDUSTRY

3.1 PRODUCTION AND INDUSTRY STRUCTURE

Two businesses (Radville/Agrotech and Sifoe farms respectively) dominate the horticultural export business representing an estimated 90 per cent of all exports between them (the value of exports is estimated at between US\$2 million and 4 million annually). These two farms are fully equipped with drip and sprinkler irrigation. Both have cold storage facilities, and Radville is supported by a modern packhouse. While some of the other commercial farms have installed irrigation facilities, none have access to cold storage and are therefore unable to consistently produce qualities demanded in the European markets.

3.2 SUPPORTING INFRASTRUCTURE AND SERVICES

3.2.1 Technical Support Services

Research and Extension

Success in export markets requires efficient research, education and extension services. What is needed is an effective link between export markets, on the one hand, and domestic research and extension services, on the other, through the medium of marketing agencies and public or private institutions engaged in the dissemination of export market intelligence. Research and extension services for horticultural products are often inadequate. There is a wide variety of products, each with a small aggregate value of output or export. At the same time, a critical minimum effort is needed to develop a viable technological package for any crop, however small in value. Therefore, the requirements for technically trained manpower for research, including associated infrastructure, are likely to be large in relation to the value of horticultural output. This suggests the need for careful selection of the products on which research efforts should be concentrated.

Considering that, over time, comparative advantage may shift among countries and that there is intensive competition in the export market, exporters need to be flexible in shifting research expenditures between crops to meet changing market conditions.

Institutional arrangements for the organization of research and extension services, especially regarding the relative roles of public and private sectors, are different in various countries. Government policy regarding research, infrastructure, education and training is important. For quality control, grading, standardization, and the control of pests and diseases, the public sector has an important responsibility.

Given its budgetary constraint, it is not surprising that the Ministry of Agriculture is currently unable to provide any specialist technical support to the sector. This places the onus on producers themselves to build up technical knowledge and support services.

By comparison:

- In Kenya, the Horticultural Crops Development Authority, a government agency, promotes research through government research institutes.
- In Cote d'Ivoire, the Government Horticultural Research Institute, 50 per cent of which is financed by French Technical Assistance, is responsible for research. Moreover, in Cote D'Ivoire, the government established a separate agency (SUDEFEZ) for undertaking education, extension, and training of horticultural farmers.

Given the small size of the industry and the pressure on government resources from many other sectors, it is probably inadvisable for the Government to establish research and extension activities specific to the horticulture industry. However, every effort should be made to support the private sector in their own efforts and to secure international aid assistance for the private sector in this area.

Supply Inputs

Within The Gambia there are no manufacturing facilities for export packaging, fertilisers or chemicals. Furthermore, given the small scale of the fruit and vegetable sector there are no specialist inputs supply distributors in The Gambia. Therefore all import requirements are imported directly by the individual exporters.

By comparison:

- In Kenya, all chemicals and fertilisers can be obtained locally and purchased in local currency.
- In Thailand, the same applies.

A Massey Ferguson dealer exists to service tractors. However, because of the small size of the business, the dealer does not hold adequate stocks of spares, and tractor repairs are therefore subject to delay until appropriate parts can be put on order and shipped to The Gambia.

By comparison:

- Thailand has local manufacture of equipment which is available for purchase or hire through an extensive country-wide network of agents and agricultural service companies. Equipment can be purchased or hired at very competitive rates.
- In Kenya equipment is readily available for purchase or hire.

Tractors can be hired through the Ministry of Agriculture at competitive rates, but producers report that it is not always possible to secure these services at the time required. The Ministry, through its Water Resources Department, also provides a service for the construction of boreholes. There is one private company that also provides the borehole construction

services, but at prices significantly higher than those charged through the Ministry. This company will supply a technical support service and irrigation infrastructure if required.

Cooperative Structure and Facilities

There are no cooperatives that operate in the export sector in The Gambia. Therefore all producers that wish to target production for export have to rely on export through a company such as Radville, or to provide their own integrated production and export operations. This necessarily limits the participation of small-scale producers in the export market. By comparison:

- In Guatemala, the production by small farmers of nontraditional vegetables destined for export marketing in the US and Western Europe was initiated and stimulated by international development assistance agencies. They provided financial assistance to a private company to open up export channels. At the same time, they helped organize a cooperative of small farmers to grow nontraditional vegetables and to gain access to export outlets through the private company. A foreign private company provided know-how and related infrastructure, such as cold storage. The cooperative provided a wide range of services ranging from extension and education at the farm level to the supply of inputs, collection of produce from individual farmers, selection and grading of export products and storage. Under a contractual arrangement with a foreign export company, it was able to obtain assured access to export markets. Eventually, the cooperative began to export independent of the foreign export company through alternative marketing channels.
- In Kenya, small scale producers have numerous exporting operations with which they can contract as outgrowers. These companies provided technical advice and input supplies and market the farmers' produce both locally and into the international markets.

The Government should look closely at how to support small farmers and promote their participation in the export sector.

3.2.2 Post Harvest Handling Facilities

There are no public cold storage facilities available for producers/exporters to access. Cold storage and packing facilities owned by Radville Farms and located at the international airport, were established with assistance from the IFC on the basis that these should be made available to other private exporters. For a variety of reasons, this does not seem to occur. There is, understandably, some reluctance from private exporters to hire facilities of the major producer in The Gambia. By comparison:

- In Kenya all major producer/exporters have their own cold storage facilities. There are no viable government cold storage facilities.
- In Uganda, until recently, public cold storage facilities have been inadequate. However, with assistance from the USAID, cold storage facilities at Entebbe airport

have recently been rehabilitated to standards required by the European market, and are now available to all exporters.

- The new international airport in Thailand, has sophisticated cold storage facilities available to the public.
- In Tanzania, the private sector has its own cold storage facilities, none are provided by the government.

Inadequate access to cold storage facilities in The Gambia plays a critical role in undermining The Gambia's success in export markets.

3.2.3 Airfreight Services

There is presently some 25 tonnes per week freight space available on scheduled airlines and passenger charters out of The Gambia to Europe. In addition, one cargo freighter of 38 to 40 tonnes is leaving Banjul for Europe each week through most of the year, and during the peak horticultural export season this increases to two freighters weekly. Demand for the scheduled airfreight space is strong. Much of what is available has been secured by Radville Farms, but for the current season space on Britannia and Air 2000 has been contracted by the only flower producer/exporter in The Gambia (Makumbya). As these two operations expand, competition for freight space is expected to intensify. New entrants into the horticulture industry are advised to forward contract space. However, failure to take up with capacity could lead to significantly higher unit costs, and puts considerable onus on the management to ensure that an adequate production programme is in place.

Freight costs on scheduled and passenger airlines are currently running at the order of 75 to 95 US cents per kilo. In the absence of new airlines entering The Gambia, these are expected to strengthen as competition grows.

There are difficulties in organising cargo flights because of the shortage of southbound traffic into West Africa. Das Air (the main cargo company that operates flights through The Gambia) has co-ordinated its service with southbound traffic to Lagos, Dakar and Accra. However each of these places has demands for the northbound freight, and cargo operators require an incentive to drop into Banjul. The current rate for the northbound journey is US\$38,000, equivalent to US\$1 per kilo of fruit and vegetables (a charge of US\$1.5 per kg is made to small volume exporters using this service). If the southbound freight is not assured, the cost of a round trip is US\$58,000, or US\$1.5 per kilo. In addition to competition for northbound space on cargo planes out of West Africa, cargo operators express a real reluctance to operate out of Banjul because aviation fuel costs are reported to be high relative to other countries in the region.

Analysis of aviation costs are beyond the scope of the work undertaken by CTS, and require additional investigations to access their impact. It should be noted, however, that Kenya implemented a system of rebate on aviation fuel costs for exporters of horticultural produce. A rebate was given to exporters on production of documentary evidence of export of fruit and vegetables.

Comparative data on airfreight space available out of competing countries shows the real constraint the horticultural exporters face in The Gambia:

- Thailand has 420 t per week capacity to Europe with Thai Airways alone (capacity with other international airlines to Europe probably doubles this figure).
- Although the exact figures for Kenya and S. Africa are unknown, freight capacity is hugely in excess of that available from The Gambia.

Despite the relatively short distance to Europe, airfreight costs out of Banjul are high for the individual small exporter because of the overall shortage of space, and the country's principal comparative advantage is eroded. Comparative freight costs from competing countries are shown below.

Kenya	0.95 to 1.32
Zimbabwe	1.34 to 1.57
Ghana – passenger	0.85
Ghana – charter	0.65 to 0.75
Egypt	0.85 to 1.00
Jordan	0.65 to 0.85
Israel	0.60 to 0.90
Ivory Coast	0.90 to 1.02
Cameroon	0.90 to 1.02
The Gambia – passenger	0.85 to 1.00
The Gambia – charter	1.00 to 1.53

In summary, airfreight is considered a major obstacle to the development of the horticulture industry in The Gambia. Despite the country's relative proximity to Europe, the shortage of available space on scheduled aircraft, and the high cost of hiring cargo planes, has pushed up the effective freight costs, and considerably complicated the business of exporting fruit and vegetables to Europe. This is seen as a major disadvantage to potential local and foreign investors.

3.2.4 Sea Freight

Two companies operate through Banjul destined for Europe – Gambia Shipping (on behalf of OT Africa), and Maersk. Both companies currently only operate a southbound route as there is insufficient freight to justify a northbound stop. Journey time to Europe is some 22 to 25 days and therefore does not allow the export of fruit and vegetables. Both companies offer reefer containers, and Maersk can supply modified atmosphere if this is requested sufficiently far in advance. Gambian shipping offers a 17 day service, and Maersk a regular fortnightly service.

Both companies have considered northbound stops in Banjul, and Gambia Shipping has implemented these for a short period in order to run some trials for Radville Farms. Reefer

containers were used in trials to ship mangoes, melons, chilies and aubergines, and were largely successful. In order to provide a regular northbound service, both shipping companies would need to be guaranteed a load of 10 to 15 containers at minimum. On this basis transit time to Antwerp is 9 to 11 days with Maersk, including a transshipment time in Algeciras from where delivery can be assured to most European ports. Transit time with Gambia Shipping to UK ports is 12 days.

While the northbound services for these two shipping lines is not yet guaranteed, it is likely that Radville will raise volumes sufficiently to guarantee this service within the next two seasons (Radville has already undertaken some trial shipments on with the shipping companies). Other entrants in the market can only help to ease this situation, and with this, sea freight offers a real potential in enterprise development plans. Costs of sea freight using reefers amounts to some US\$0.25 per kilo of fruit and vegetables. By comparison:

- Kenya has efficient northbound services available to all exporters. A regular twice-weekly service is available. Costs are higher than from The Gambia, but the shipping time is not significantly greater.
- Ghana offers a weekly sea freight service to Europe.

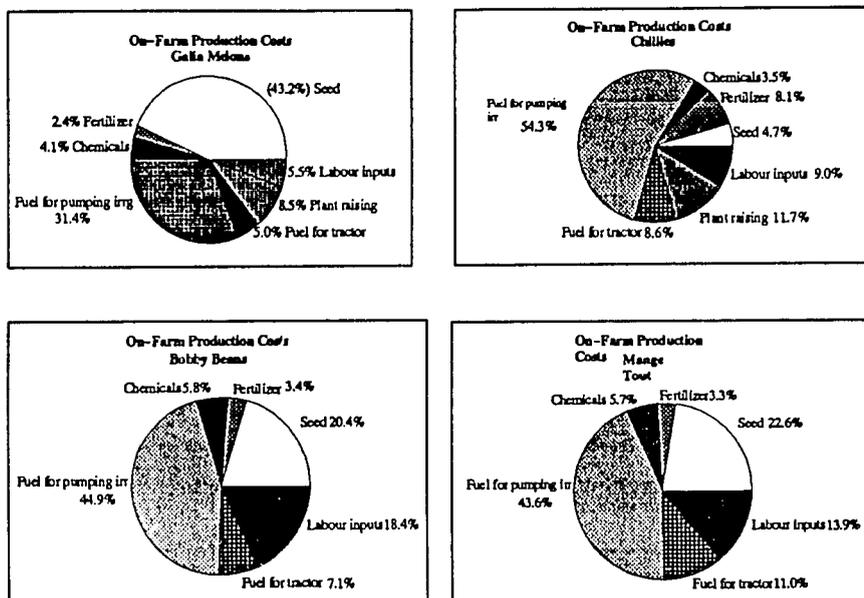
Until The Gambia provides a regular northbound freight service to Europe, it cannot offer investors any of the advantages that many of its competitors in West Africa do.

3.3 COST STRUCTURE AND COMPETITIVENESS OF THE GAMBIA'S HORTICULTURAL INDUSTRY

3.3.1 On-Farm Production Cost Structure

Figure 3.1 provides an illustrative description showing the relative proportion of key variable costs as a percentage of the total production costs for four main crops that can be produced in The Gambia.

Figure 3.1
On-Farm Production Costs for Selected Products



The most important point of note regarding on-farm production costs relate to the cost of fuel for pumping discussed below.

Fuel costs for pumping irrigation represent the single largest expenditure for all crops under review (except galia melons), and typically average some 35 to 60 per cent of total variable on farm production costs. Almost 50 per cent of the fuel cost is government tax. This can represent a significant cost per kilo of produce marketed. At present rates fuel costs add some US\$ cents 15 and 40 per kilo of fruit or vegetables. This is a significant share of the final European sale price, and a 50 per cent cut in fuel costs would considerably improve the competitive position of Gambian produce in Europe.

The cost of fuel for pumping irrigation water is high because of government tax on diesel, but in addition, producers are pumping water from groundwater resources that are tapped through wells of some 70 to 90 metres in depth. This requires significantly greater amounts of diesel fuel than pumping water from surface sources. Major competitors to The Gambia such as Kenya and Thailand, all have access to surface water for irrigation.

Fuel costs in The Gambia are amongst the highest in Africa, only Ugandan diesel costs are higher. The following table 3.2 sets out comparative data.

Egypt	9.1
Nigeria	16.3
Ghana	25.0
Kenya	25 - 27.0
Zimbabwe	27.5
Morocco	30.0
South Africa	44.0
Uganda	78.0
The Gambia	64.9

With the exception of Uganda, Gambian diesel fuel costs are significantly higher than all competing fruit and vegetable supplying countries. Gambian producers use around 2675 litres of diesel oil to irrigate one hectare. In the following table 3.3 comparative irrigation costs per hectare are shown based on local diesel prices. In practice, of course, pumping surface water would use dramatically less fuel.

Egypt	243.42
Nigeria	436.02
Ghana	668.75
Kenya	695.50
Zimbabwe	735.62
Morocco	802.50
South Africa	1177.00
Uganda	2086.50
The Gambia	1736.07

In summary, Gambian fuel costs for irrigation are therefore more than 7 times those of Egypt, 2.6 times those of Ghana, and nearly 2.4 times those of Zimbabwe.

It is notable that in many countries horticultural producers are permitted to purchase fuel on a tax-free basis. In the UK all fuel for horticultural use is coloured with a pink dye. This stains the engine of any vehicle using the fuel, and is used to monitor correct usage.

Labour Costs

Gambian wage costs are comparable with most of their regional competitors. There are however reports that labour productivity can vary significantly, for example Kenyan labour costs are amongst the lowest in Africa, and their productivity amongst the highest. In all developing countries, labour productivity is closely related to workers training programmes and effective management. Table 3.4 below shows comparative daily wage rate costs.

Kenya	0.8 - 1.1
Zimbabwe	1.5 - 2.0
S. Africa	0.8 - 1.5
Egypt	0.8
Morocco	1.2
Senegal	3.0
Ghana	0.7 - 1.0
Uganda	1.0
Nigeria	1.2
Thailand	2.0 - 3.0
Turkey	1.0
The Gambia	1.0 - 1.5

Productivity of labour in harvesting and packing fruit will be a critical element in determining the Gambia's ability to compete in the European markets.

3.3.2 Investment and Infrastructure Costs

A number of key issues highlighted in the study concerned investment and infrastructure costs. They key issues are discussed below.

Water Resources Development Costs

The study highlighted the large capital cost of providing water to individual farms. Producers in The Gambia incur substantial costs in sinking bore holes. The current drilling costs for a 10 inch bore hole are US\$33,750 for the first 40 metres, then US\$285 per metre thereafter, giving an average cost of around US\$ 48,000 for a bore hole that will irrigate approximately 15 to 20 hectares. The costs associated with installing a borehole amounted to ± 20 percent of the capital costs of farm commencement costs excluding the cost of land. This represents a significant up-front investment for a prospective investor.

In Egypt, Nigeria, Senegal, Thailand and Turkey, many producers have been supported by national irrigation schemes with central government receiving donor assistance for dam construction, river improvements and canal infrastructure. Therefore a producer in The Gambia has an effective additional capital cost for irrigation of at least US\$ 3,200 per hectare as compared to competitors with a surface water source.

Bearing in mind that the land ultimately is the property of the Government, there is some justification for the argument that this is a service which Government should consider providing. Furthermore, finance on a governmental level would be more readily and more cheaply available from the international financial institutions.

From the Governmental point of view, the cost of installing and financing these facilities would be recovered in the long-term by:

- increased lease charges for the land,
- capital appreciation of the land,

thereby justifying the initial capital investment.

Development Finance

There is no financial institution in The Gambia which can provide medium to long term finance to encourage development. The commercial banks are only active in the short term market providing overdraft/working capital finance for short-term financial requirements, essentially trading activities. Because of the Banks' requirements for matching maturity terms of debt to the underlying nature of the assets secured, there is limited scope for the banks to finance medium to long term investment.

The potential agricultural investor has no alternative for investment in equipment other than international financial institutions which increasingly are setting higher minimum investment thresholds. As a result most major international financial institutions have set up investment funds to cater for lower level, of investment. However, most of these funds have minimum lending levels of around US\$1 million, some are higher. Therefore unless a project is large and has good international backing and sponsorship, it is unlikely to be able to attract international finance. Unfortunately, at present, there is no alternative within the country to finance local smaller-scale development.

Equipment Finance

In addition, there is an absence in The Gambia of leasing companies to provide access to leased equipment. Leasing clearly represents a practical way to significantly reduce the capital expenditure requirements in any project. Operating returns can cover the charges for the use of the asset, on an on-going basis, rather than tying up large amounts of capital in equipment at the beginning of a project. This greatly increases the rates of return on the project.

Commonly, where a Development Corporation or Bank is set up, a leasing company is also concurrently set up. International finance can be made available to set up these institutions eg IFC has an interest in a leasing company in Botswana and Zimbabwe in conjunction with a local bank. This would greatly facilitate small-scale farm development in The Gambia.

4 SUMMARY AND CONCLUSIONS

Despite recent growth in the horticultural export industry in The Gambia, there is strong evidence to suggest that the industry is struggling to survive in the face of tough international competition. To prevent a rapid decline in the industry, and to encourage its expansion in the future, measures should be implemented to support the industry. This concluding section summarises the most critical issues that need to be addressed by the Government.

Fuel Costs

It is clear that The Gambia falls well behind its competitors in the availability of competitively priced fuel for the industry. To summarise this:

- Gambian producers are subject to fuel prices which are 7 times the level of some of its competitors, and at least 2 times more expensive than most of its competitors.
- Unlike many producing countries that have access to surface water for irrigation, Gambian producers must pump water from bore holes of 70 to 90 metres in depth. Therefore basic fuel consumption for irrigation is significantly higher than most of its competitors.
- None of The Gambia's horticultural producers have access to electrical supplies, and therefore have no means to avoid these high fuel costs.
- Fuel for pumping irrigation water amount to some 60 per cent of variable on-farm production costs.

Irrigation water is critical to horticultural production. The Gambia is at a major disadvantage relative to all (except one) of its competitors. Producers have been pressing the Government for some time to allow use of duty-free fuel. This measure would bring rapid relief to the two major exporters in The Gambia, and could be implemented in the immediate term.

Freight Availability and Costs

This is considered a major constraint to new entrants into the horticultural industry in The Gambia. There is little prospect of an increase in scheduled freight space out of The Gambia, and therefore the future of the industry will depend on the availability and cost of chartered cargo space.

No immediate action can be taken in this regard. However, some cargo operators have made inferred that the cost of aviation fuel in The Gambia acts as a disincentive for operations from the country. This should be examined in more depth. It is recommended that Government initiatives to attract greater aircraft movement through Banjul be defined and pursued vigorously. A reduction of fuel costs through greater competition and reduced through-put charges might achieve some success in the short term.

Infrastructure and Cold Storage

Basic infrastructure facilities and technical support for the horticulture industry are at a minimum, and poor relative to many of The Gambia's competitors. While individually all these issues can be overcome, in total they present a significant constraint to existing producers and a disincentive to new local and foreign entrants into the industry. In the absence of any central cooperative system supplying this infrastructure and inputs, small producers will be excluded from the export industry. The Government should look closely at measures to assist participation of the small and medium producers in the industry, and the provision of basic infrastructure which will support the growth of the industry. It is

recommended that Government support be given to exploring the feasibility of a privately operated cold store facility to which small producers have access.

Water Resource Development

The costs of water resource development are prohibitive to many entering the industry. Major competitors in the international arena do not have to face these development costs which are largely undertaken by respective Governments. There is no development finance available to private sector to undertake these basic infrastructure development costs.

International finance could be sought specifically to assist in the development of water resources infrastructure. It is recommended that Government support be given to initiatives which increase competition in the borehole drilling industry and to initiatives which increase the availability of development finance for infrastructure developments.



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