

# Agricultural reforms and rural poverty: the case of the peanut industry in Senegal

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## Strategic importance of the peanut sector

From colonial times up to the end of the 1970s, the peanut sector was without question the driving force of the rural economy in Senegal. It generated 60 per cent of agricultural GDP and about 80 per cent of national export earnings. The four peanut processing factories set up in different regions of the country were the backbone of the domestic industrial system.

The commercialisation of peanuts was the only opportunity for the Central Bank to create money for Senegal. Suitcases full of money were poured out each week to buy the harvest. The effects of this financial godsend were discernible in the daily life of the people and in the rhythm of business both in the countryside and in city centres. Almost all economic activities lived on the peanut trade and remained, to all intents and purposes, in hibernation during the slack season. Sectors closely dependent on peanut included transport, masonry, carpentry, restaurants, tailoring, etc.

At the financial level, peanuts offer producers several opportunities to generate revenue through the sale of fresh or dried pods, shelled seeds, traditional oil, peanut butter, as well as hay and cake for animals. This comparative advantage is strengthened by the constraints, both technical and sociological, on the commercialisation of cereals in general and millet in particular.

The sale of roasted peanuts has always been a traditional activity of elderly women. Due to the rural depopulation and seasonal migrations, many young men have become roving sellers of roasted peanuts and their baskets are part of the background in the streets of all big cities. In every town, thousands of fathers of families live solely by the sale of peanut straw, both in their neighbourhood and around the market area.

The transport of this product from the peanut growing zones is an important niche for hauliers. Moreover, it is peanut straw that feeds draft animals, whether they are used in the fields or for transport: there is virtually no substitute available on a large scale. The animals in harness are in a dreadful state before the rainy season, whenever peanut production is poor. In addition, peanut straw and cattle-cake are the main inputs to animal fattening as main activity for certain people, and income diversification activity for others.

Family labour force is essentially made by workers who are interested only in cash crops and peanut is their first choice. Any constraint for growing peanut implies reduced agricultural workforce and more rural exodus.

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## **The decline of the peanut sector**

These days, the relative prosperity of the countryside linked to the peanut trade has become almost a legend, which the people recall with nostalgia. The collapse of agricultural credit and extension services during the 1980s was a critical factor in the decline of the peanut industry. The most obvious consequences are, among others, the decay of equipment for animal-drawn cultivation, the quantitative and qualitative deterioration of seed stocks, and the reduced use of fertiliser.

The reforms initiated in the context of structural adjustment policies have had such negative consequences for the peanut sector that there is serious anxiety about its survival. Senegal's share in world production has fallen to around 4 per cent from 10 per cent thirty years ago. Monitored production has gone from 800,000 tonnes on average in the 1960s to about 200,000 tonnes today. Getting the crop to market has become an ordeal, following the changes in the organisation of the system of collection since 2001. In recent years, many producers who delivered their harvest to the agreed collectors where not paid and this has been very disappointing.

The lack of organisation in the official channels reduces competition and allows private merchants to dictate their terms. As well as the low prices that they offer the producers, who have no alternative outlet, they also impose standards of quality by demanding, for example, that the pods should be well filled-out, which depends above all on the rainfall. Moreover, while the variety 55 437 is available in quantity, the producers who grow other varieties find real difficulty in selling on the informal market.

## **Strategies for adaptation**

In spite of the many problems related to both production and marketing, farmers are still very attached to peanut cultivation. It remains the main source of income for the majority of the most deprived rural households. This results from a lack of any real alternative and can be attributed to several factors. It is the only crop that is at the same time industrial, a food crop, and a fodder crop. The rotation of peanuts and millet has always been a feature of the main agricultural system in which the widely used concept of mono cropping is more of a theory than a reality. Alternating peanuts and millet on plots of land is the main method of managing soil fertility, especially with the disappearance of fallow land.

Faced with the decline of income from peanuts, peasants who own carts migrate to towns during the dry season to hire them out in order to earn extra income. This phenomenon implies reduced amount of manure available to use on the land. This is because horses used to be a major source of manure as well as a means for transporting it to the fields during the dry season.

Other producers sell peanut hay, which should really be used as fodder for domestic animals. The lack of fodder pushes some farmers towards replacing horses by donkeys, which are easier to maintain, but clearly perform less effectively as a draft animal, and this constitutes a form of decapitalisation.

Producers engaged in animal production such as cattle fattening as an alternation gather or buy wild grass for feed, which contributes to accentuating wind erosion in the dry season.

## **Conclusion**

Senegal's colonisers introduced peanut cultivation with a view to developing a cash crop that provides not only income to producers but also raw material for the oil industry. This primary function has become less important with the increased importance of other aspects of peanut production in the economy of rural households. Its role as the engine of Senegal's dominant agrarian system made it a strategic sector around which the activities of the majority of the population are organised. The paralysis of the peanut sector arising from agricultural policy reforms can only make the conditions of life in rural areas worse and speed up the process of rural depopulation. For the majority of the producers, the alternative to peanut cultivation is simply to leave agriculture, even

though the authorities are urging a return to the land as the main element of the strategy to face mass poverty.

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