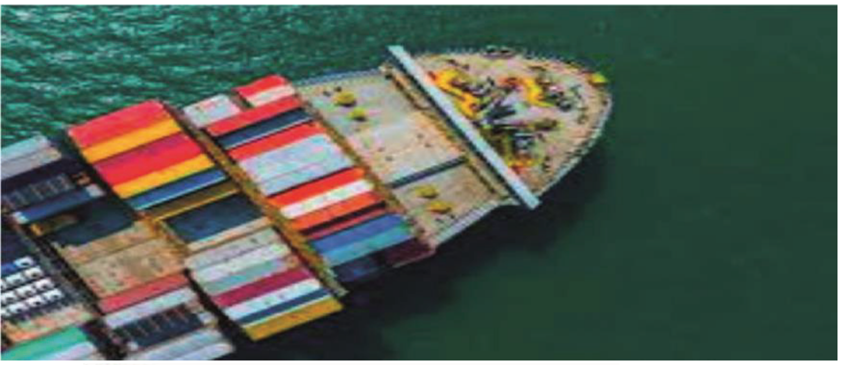
National Export Strategy 2021-2025

THE GAMBIA

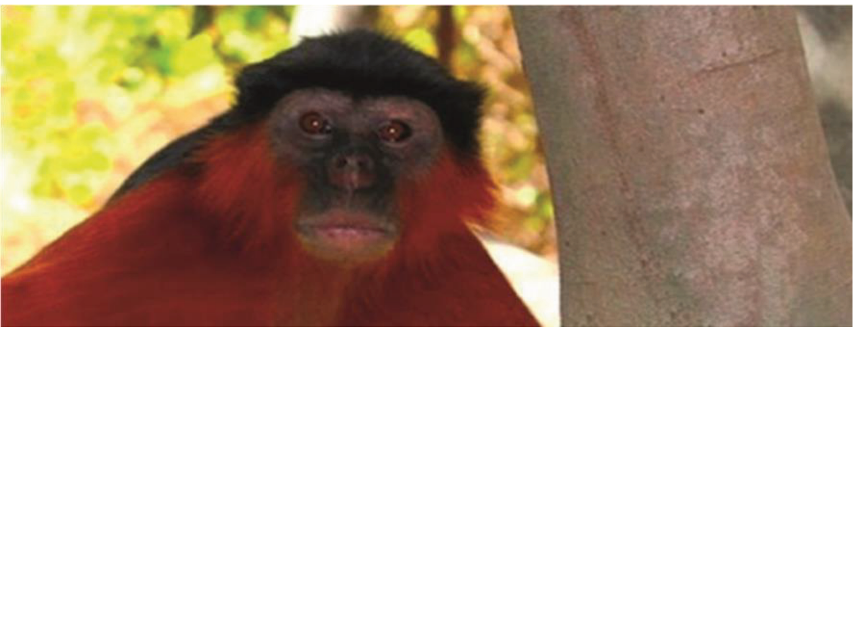
THE SMILING COAST OF AFRICA



GiEPA
Gambia Investment and Export Promotion Agency

SECTOR PROFILE
HORTICULTURE

PROGRESS PEACE PROSPERITY



Content

Summary of the NES

The National Export Strategy (NES) 2021–2025 is a critical roadmap to guide The Gambia towards export growth and diversification, recalibrating the economy away from its dependence on low value-added commodity trade; helping Gambian businesses to enter global value chains; and facilitating its post-COVID recovery, growth and resilience.

The Gambia is a small economy that has been operating with a trade deficit for many years, with heavy dependence on imports (which account for 80% of trade). In addition, The Gambia is heavily dependent on the export of goods, particularly, rain-dependent agricultural products.

The government, through technical support from the Commonwealth Secretariat to the Gambia Investment and Export Promotion Agency, is advancing the second National Export Strategy (NES II), which attempts to diversify exports, strengthen expanding sectors and contribute to the achievement of the overarching objectives of the National Development Plan (NDP) and the Sustainable Development Goals (SDGs). NES II is comprehensive and targeted, with a focus on ownership, implementation, sustainability and resilience (especially within the context of COVID-19).

The NES (2020-2025) focuses on supporting The Gambia's export-ready firms to enter regional and global value chains, particularly in value-addition horticulture and agro - processing, groundnuts, cashew, fisheries, light manufacturing and services, and more especially tourism, to bring further benefits to the country. The Government of The Gambia (GOTG) wants to bring about economic stability, grow employment and drive entrepreneurship.

In designing NES II, critical consideration was given to ensuring that the Strategy was comprehensive and targeted, paying particular attention to ownership and implementation. Most importantly, it was key that the revised NES was relevant to the needs, objectives and priorities of the government and people of The Gambia; had clearly defined and actionable strategies and actions that could be effectively implemented; that the design reflected the government's ongoing and planned policies and initiatives, efficiently complementing and reinforcing them; that the NES generated the greatest impacts for beneficiaries; and that both activities and results of the NES were sustainable, measurable and actionable.

In this regard, the priority sectors and cross-cutting areas for this NES have been reviewed, refined and strengthened to align with the government's other policies, plans and projects and to complement rather than compete with other ongoing initiatives.

Priority Sectors and Cross – Cutting Areas under NES II

PRIORITY SECTORS	CORE CROSS-CUTTING AREAS
1. TOURISM	1. Transportation and trade facilitation
2.HORTICULTURE AND AGRIBUSINESS	2. Information and communications technology (ICT)
3. FISHERIES	3. Access to finance
4. GROUNDNUTS	4. Human resource development
5. CASHEW	5. Research, intelligence and innovation
6. LIGHT MANUFACTURING	

The NES II seeks to bring out key successes through; **(i), Resilience, (ii), Removing Supply Constraints, (iii) Moving up the Value Chain – Value addition, (iv) A Market-Driven Approach, (v) Strengthening the Country Brand, (vi) A Sustainability-Driven NES, (vii) Strong Stakeholder Involvement, (viii) Excellent Institutional Support, (ix) A Distribution-Oriented Focus, (x) Women and Youth Impact and Inclusiveness, (xi) Measurable Results.**

Vision
The vision of the NES was stated as follows: 'An efficient and globally-competitive export sector that is innovative, inclusive, resilient and responsible.

Mission
The mission to support the vision is as follows: 'To fully utilize Gambia's human and natural resources to drive export growth.

The Goals of the National Export Strategy
The National Export Strategy (NES) was designed as a practical roadmap for The Gambia to achieve increased levels of economic development, by focusing its limited but valuable resources on developing export capacity in those priority sectors for which The Gambia has the greatest potential for export development. The specific goals and expected targets from effective delivery of the National Export Strategy 2020–2025 are as follows:

- To build a stronger, more responsible, robust and resilient economy
- To diversify export markets
- To move the economy up the value chain through higher value-generating export activities
- To improve the brand image of The Gambia in the international markets and to showcase The Gambia as a quality exporter of strategic products
- To use exports as a tool to alleviate poverty through high-value job creation
- To attract more foreign direct investment in the priority sectors, particularly for high value generating activities.
- To create a more inclusive economy that invests in and values human capital
- To drive resilience through sound export strategies
- To encourage and facilitate innovation

As a practical roadmap, the National Export Strategy (NES II) was designed for The Gambia to achieve increased levels of economic development, by focusing its limited but valuable resources on developing export capacity in those priority sectors for which The Gambia has the greatest potential for export development, those utilizing the human and natural resources to drive export growth.

With the evolving global dynamics on macro – economic variables, trade and investment, the Agency developed a new strategic plan for the period 2023 – 2027 to provide the Agency with a strategic direction to better serve the country and attract potential investors, improve the export value, enhance market access for MSMEs and develop the entrepreneurship culture aligning with developed policies and strategies such as the new NDP – Green Recovery, NES II with a firm commitment to achieving the SDGs.

Sector Profile (Horticulture)

Horticulture is an important subsector of agriculture and plays an integral role in the livelihood of Gambians, especially that of rural communities and women. The agricultural sector accounts for about 46.4 per cent[1] of employment in The Gambia, with an estimated contribution to GDP of 32 per cent.[2] It is estimated that the horticulture subsector accounts for about 65 per cent[3] of the agricultural labour force, with a GDP contribution of about 4 per cent[4] or roughly US$66.8 million.[5] Horticulture exports accounted for about 7.5 per cent of local output in 2019,[6] or roughly 0.3 per cent of GDP. It is, therefore, evident that the horticultural subsector is an important employer within the agricultural sector and is in dire need of improvement in terms of its productivity and contribution to GDP (65% of agriculture labour producing only 4% of GDP is not sufficient).

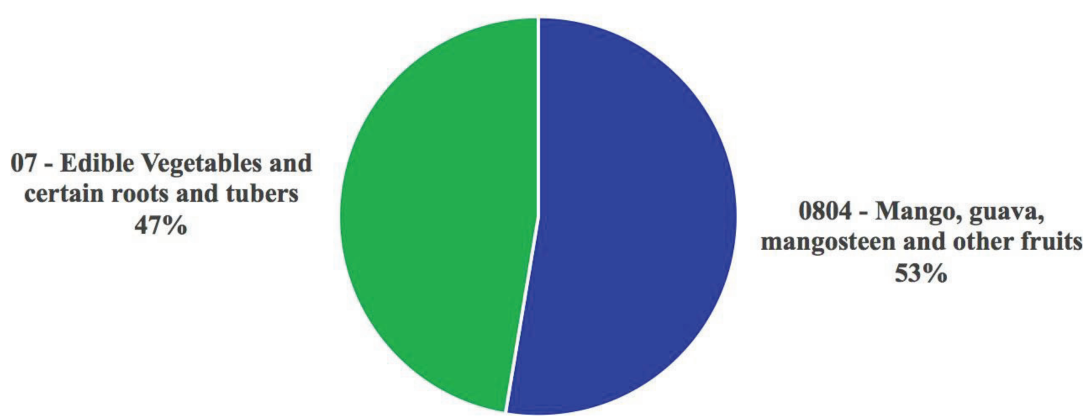
The importance of horticulture is also evident in the contribution it makes to national food security, sustenance and poverty alleviation, and to household incomes, especially those of rural dwellers and women. Horticultural activities in The Gambia are largely seasonal, with off-season (dry-season) activities that lasts from November to June, subject to some degree of small-scale irrigation made possible by dug-out wells. Horticultural outputs during the rainy season are usually of a low quality compared to those produced during the dry season.

The horticultural subsector is dominated by individual subsistence farmers and women-dominated communal horticultural activities, with limited commercialised horticultural players. The few commercial players include Gambia Horticultural Enterprise (GHE), Radville Farms, Kharafi Farms and Tropingo. Despite the estimated 285,000 ha of arable land available for agricultural activities, no available statistics could validate the area used for horticultural activities. Commercial horticultural activities are estimated to account for fewer than 1000 ha and their primary focus is on the production of fruits – mostly mangoes.

Horticulture Export Performance

Horticulture exports are generally evenly split between fruit (mainly HS Code 0804) and vegetables (HS Code 07), each accounting for 53 per cent and 47 per cent respectively.

General composition of horticulture exports from The Gambia in 2019

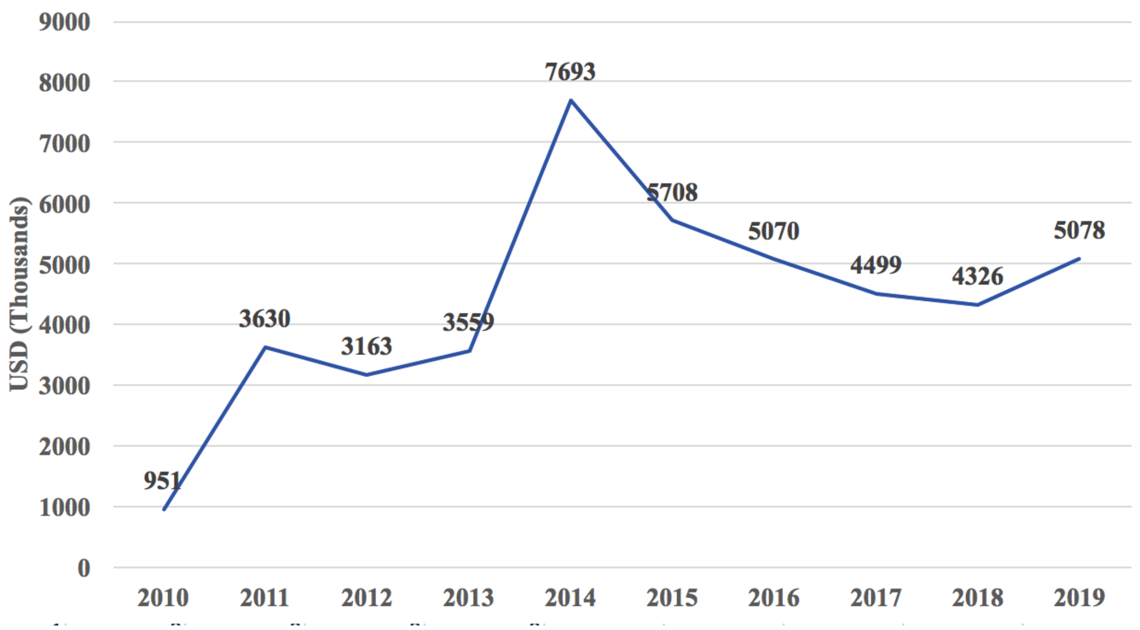


Source: TradeMap.org 2020

Horticulture exports are at a relatively low base, at US$5 million in 2019, and contribute only 0.5 per cent to GDP, based on mirror data. Between 2010 and 2019, the sector experienced a

CAGR of 20.5 per cent per annum, driven mostly by growth in vegetable exports such as peppers and fresh beans.

Horticulture export performance (USD thousands)

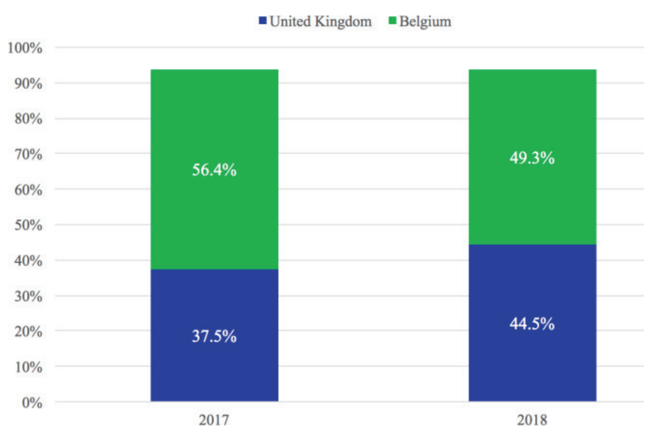


Source: TradeMap.org, Mirror Statistics 2020

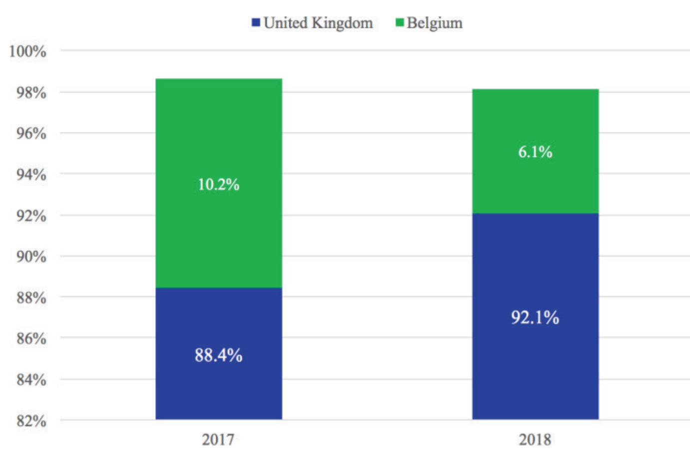
Market Analysis

The two main markets for horticulture exports from The Gambia are the UK and Belgium. These two markets account for 94 per cent of all vegetable exports and about 98 per cent of fruits.

Export market share - vegetables



Export market share - fruits

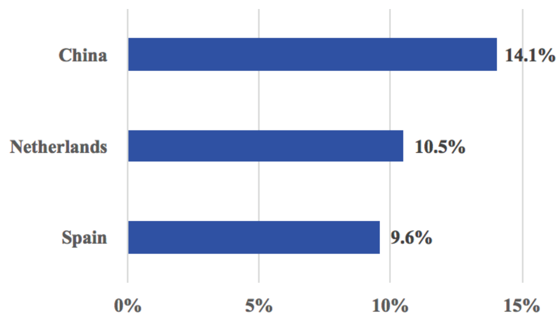


Source: TradeMap.org 2020

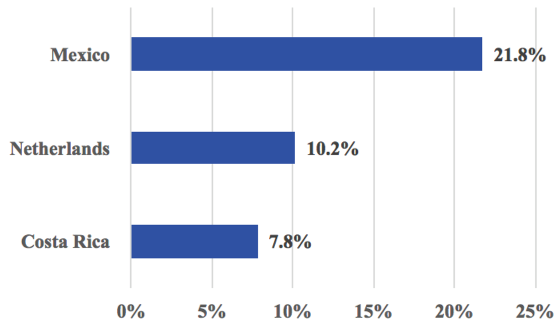
Competitive Environment

The main competitors globally to The Gambia’s horticulture exports are China, the Netherlands, Mexico, Spain and Costa Rica. Collectively, China, the Netherlands and Spain account for one-third of the global export of vegetables (34%) and Mexico, the Netherlands and Costa Rica account for two-fifths (39%) of the global export of fruit (HS Code 0804).

Top exporters of vegetables (HS Code 07)



Top exporters of fruits (HS Code 0804)



Source: TradeMap.org 2020

The entire horticulture sector, from growing to processing to retailing, is an extremely competitive field, where profit margins are typically so low that it is often challenging to maintain profitability. Locally, the sector's competitiveness is also hindered by high-energy costs, the high cost of finance and changing consumer tastes.

Global population growth and increased urbanisation of key markets mean that the demand for food will continue to grow. Growing health consciousness will also increase demand, specifically for fresh, naturally grown and organic options, an area The Gambia could consider for future competitiveness.

The Gambia should not attempt to compete head-on with the global horticulture export leaders such as China and the Netherlands. Instead, the sector players need to focus on what makes their products unique and on the strength of The Gambia brand. Products also need to be strategically positioned to take advantage of the sector's natural and potential strengths such as healthy, organic and fair-trade produce. This positioning can help to justify the higher prices of some products. In addition, the sectors need to look for opportunities to integrate into global value chains (GVCs), at an increasingly higher level up these chains, as their engagement deepens. More processing is required in some instances. Better branding and becoming more niche-focused in the health and wellness sector are some examples of moving up the value chain.

The Gambia has the opportunity to compete in a number of potential areas/niches, including fair trade, organic, health and performance foods, etc. These are considered in detail in the next section.

Opportunities and Implications

There are several export opportunities that this sector offers to The Gambia. With the growing trend towards more experienced, health-conscious and demanding consumers, with sophisticated tastes and preferences, a number of opportunities are opening up where The Gambia can take advantage. These opportunities include developing products and brands along the following lines:

- The fair-trade movement
- Organic farming and fresh produce
- Authentic and ethnic produce
- Health and wellness
- Performance foods

These are further explained in the following sections.

The Fair-trade Movement

'Fair trade' is an organised social movement, which aims at helping producers in developing countries achieve better trade outcomes and to promote sustainability. The movement advocates the payment of higher prices to exporters, as well as higher social and environmental standards. It also focuses on commodities or products that are typically exported from developing countries to developed countries. Most notably handicrafts, coffee, cocoa, sugar, tea, bananas, honey, cotton, wine, fresh fruit, chocolate, flowers, etc. Many of these fall squarely within the fruits and vegetables sector.

Global retail sales of fair-trade products, such as coffee, sugar and bananas, soared by 15 per cent between 2012 and 2013 to reach £4.4 billion (US$6.8 billion). There are currently 74 fair-trade producer countries internationally, while more than 30,000 fair-trade products are on sale in 125 countries across the world. In 2013, sales for fair-trade sugar grew by 22 per cent compared to 2012. Other products with increases included bananas (12%), flowers (16%) and coffee (8%).

Strongest growth markets include the USA, where sales of fair-trade products have risen to £258 million (US$400 million) since the introduction of fair trade in 2012. Brand new markets such as India and Kenya came on stream, joining South Africa as fair-trade producer countries with rapidly growing sales of fair-trade products in their own markets.

The largest fair-trade market is the UK, which generated £1.8 billion (US$2.79 billion) in sales and growth of 14 per cent between 2012 and 2013. Germany cemented its number two market position after the UK, with consumer retail sales topping £519 million (US$804 million), following exceptional 23 per cent annual growth. Fairtrade International reported initiatives to open more opportunities for the people at the far end of the supply chain: now more than 1.4 million farmers and workers, belonging to 1,210 producer organisations, including local co- operatives.

The Gambia already has the right circumstances to benefit from and take advantage of the fair-trade opportunity. However, fair trade certification is a critical component that must be implemented; there are attendant costs involved which must be budgeted for. In addition, stakeholders in the sector need to become aware and educated on the importance and benefits of the fair-trade opportunity.

Organic Food Products

The growth in demand for organic fruits and vegetables is strong around the world. Yet, little has been done to exploit it in the region, which gives The Gambia an advantage in being one of the first to take the export opportunity. This advantage is supported by the fact that consumers are increasingly participating in a growing food culture focused on high-quality gourmet experiences and unique dishes. This trend has been further supported by a rise in per capita disposable income in many developed nations. In the five years to 2014 in the US market, for example, disposable income increased at an average annual rate of 1.2 per cent, according to the US Census Bureau.

In addition, environmentally sustainable eating environments that serve farm-to-table and locally sourced dishes, will become increasingly commonplace. The trend of locally sourcing produce and other ingredients used in restaurants will spill over into the beverages sector. Many operators within the food-services sector, particularly within both the fast-casual and full-service dining segments, are increasingly seeking out locally produced and craft beers, wines and spirits to pair with their dishes. These emerging trends are expected to strengthen over the next five years, offering operators within these sectors opportunities to develop new products and bolster profit margins.[7]

The opportunity for The Gambia that organic produce offers, is real. However, suppliers will need to comply with the strict international standards for organic products in order to truly take advantage of this opportunity. On the flip side, however, organic certification is costly and not currently affordable for most producers. The government needs to provide support (technical and fiscal incentives) to make this a reality.

Health and Wellness

Growing trends in health and wellness also provide key opportunities for the Gambian agriculture sectors. Consumers are looking for healthy options when eating out or purchasing processed foods at the grocery. The demand for more natural and fresh fruits and vegetables is part of a growing health consciousness trend. The health benefits offered by many fruits and vegetables are growing in popularity. The Gambia can supply what consumers want in this regard – a variety of fruits such as mango are growing in health importance globally.

Nutritional and Performance Foods

As a result of growing health consciousness among global consumers, many industries are developing healthy, nutritional and 'performance' foods to meet rising demand. 'Energy' or 'performance' is a key component of contemporary health and wellness lifestyles across all consumer age groups. Conceptually, performance is almost as important as concerns over weight management and physical fitness. This rise in importance is a change from the past. For most consumers, the very definition of health and wellness is having the energy to live an active life. Almost a third of consumers view their performance levels as urgently needing improvement – this is surpassed in importance only by thoughts about getting fit and losing weight. Consumers see energy management as a balancing act that affects all other aspects of wellness. They take this balance into account in their health and wellness habits and purchasing, including of foods and beverages. All consumers acknowledge an implicit connection between energy and what they eat. The understanding of gut-brain connections will become more sophisticated as trends emanate outward from progressive consumers.

The Gambia is in a well-suited position to benefit from this opportunity, as it is known for many nutritional, performance and nutraceutical superfoods, such as, moringa, baobab, hibiscus, fonio, etc. It could easily and inexpensively add other such foods if needed.

Fresh Foods

The frozen food category in past decades established itself as the 'new fresh' and a convenient solution to prepared meals, through an expanding combination of product and packaging innovation. However, as consumer perceptions of the freshness and 'healthfulness' of frozen foods wane, and the perceived nutrition and convenience of fresh prepared foods accelerate, the frozen prepared food category is facing a long-term decline relative to the rapid growth of fresh produce. This is much like the canned foods frozen food eclipsed decades ago. However, this trend is only expected to become mainstream in the very long term and frozen prepared foods remain a viable opportunity for farmers.

The fresh offer is a primary driver of store choice, just behind value and convenience in terms of overall importance. In fact, 70 per cent of US consumers in a recent global study said, 'access to the best quality fresh products is the most important consideration', when choosing where to shop.[8]

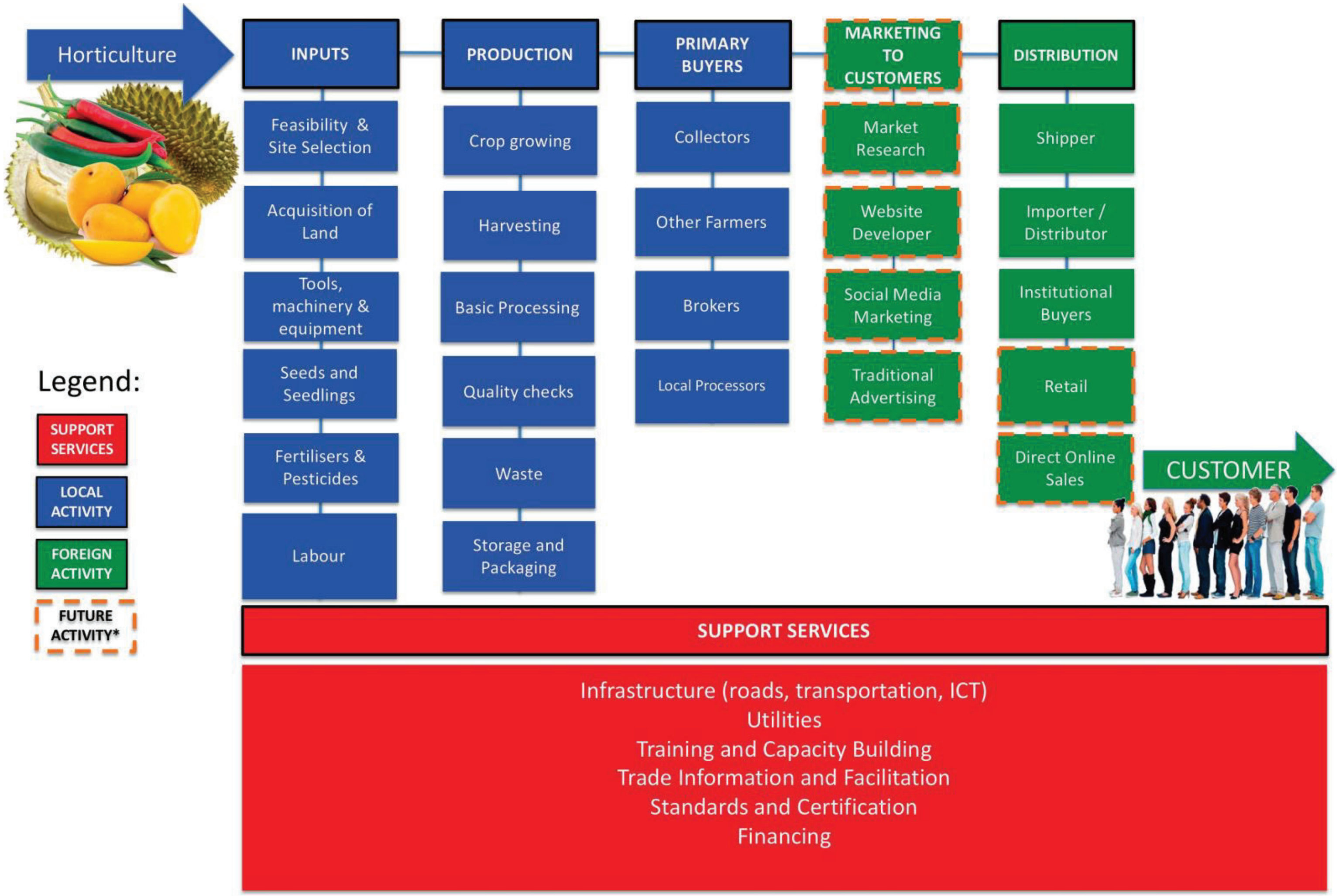
While 'fresh' represents a huge opportunity for farmers, it's not easy to get right. And getting it wrong could be very costly, both in terms of immediate loss of products and the financial costs attached, and also in in terms of customer satisfaction.

SWOT analysis of the horticulture

Strengths	Weaknesses
• Land availability • Proximity to the EU and African markets • The River Gambia for transportation • The River Gambia for irrigation • Relative availability of labour supply • Availability of underground water for irrigation using boreholes. • Unique and exotic fruits and vegetables • Diverse product range • Support programmes in place for the industry • Availability of some 'green' raw materials • Established channels to some target markets with experience to expand reach based on trade agreements, for example, ECOWAS, EPA, AGOA • Reasonable and improving product development competency exists, for example, Radville Farms, GHE, Tropingo, etc. • Geographic location within West Africa and location near to seaports • Strong linkages and support arrangements between exporters and farmers, for example, initiatives by Radville, GHE and Tropingo • Co-operation and collaboration between competing exporters	• High input and logistics costs – seeds, fertilisers, electricity • Inadequate cold storage facilities, market access, packaging and processing • Inadequate financing opportunities and high-interest costs • Uncompetitive interest rates undermine reinvestment in the sector • Inadequate agricultural extension services • Limited specialisation in extension services • Logistical challenges of ready air and sea freight availability • High and unusual incidence of pests and diseases • Periodic ferry inefficiencies and delays • Limited ability to certify national production • Lack of commercial depots for exports • Inconsistencies between applicable policies and legal framework • Lack of reliable production information system • Limited availability of quality packaging at the national level • Poor post-harvest management • Cost and strictness of standards and certification programmes • Weak export focus among many potential and current suppliers • Weak knowledge of external consumers and marketing trends • Limited innovation and use of technology to match evolving market trends • Increasing security costs • Increasing praedial larceny in the industry • The sector is very fragmented and highly informal/artisanal in nature • Inadequate (poor) transportation impacting on product quality arriving at processors • Lack of market information • Insufficient available information on business support services • An aging farmer population and low involvement in the sector by young people • Low literacy rates and market understanding of many farmers

	• Fragmented value chain • High domestic transport costs from farmer to exporter • Limited air and seaport capacity • Limited availability of certain skilled labour, forcing firms to bring in labour from outside The Gambia, particularly for management and technical skills
Opportunities	Threat
• Certification of businesses for enhanced market access • Sector diversification into other horticultural products • Improvement in standards and quality infrastructure • Facilitation of private sector-led co-operative schemes • Value-added agroprocessing • Use of attractive packaging to add value and attract premium prices • Linkages with tourism industry • The River Gambia for transportation • Commercialised horticulture for exports • Packaging and processing • Proximity to a major export market (South Africa) • The recent signing of the AGOA agreement to gain access to the US market • Climate and soil quality conducive to growing certain crops • Environmental positioning based on products and processes/systems • Growth in potential linkage industries - such as organic, health, wellness and performance • Changing global consumer demand for wholesome, fresh and organic fruits and vegetables • Exploitation of regional African markets (and their diasporas) yet to be fully explored • Genetically modified seed applications for pest and disease resistance • Sales to tourists through backward linkages from the tourism industry	• Global warming and climate change • Seasonality of some products, for example, mango • Wasted or underutilised capacity during seasonal down time, for example, mango packaging facilities at Radville Farms are down during the off season • Pests and disease - also occasional invasion of locusts from the Sahara • Price volatility • Rural-urban migration affecting farming prospects (most farms are in rural communities) • Non-tariff barriers on exports - specifically international regulations such as sanitary and phytosanitary (SPS) measures • Low levels of investment in the sector • Strong competition • Issue of non-comparable treatment of imports - not same level of diligence as trading partners • Volatile foreign exchange rates • Competition from subsidised products, both in local and export markets • Reliance on international flights for freight

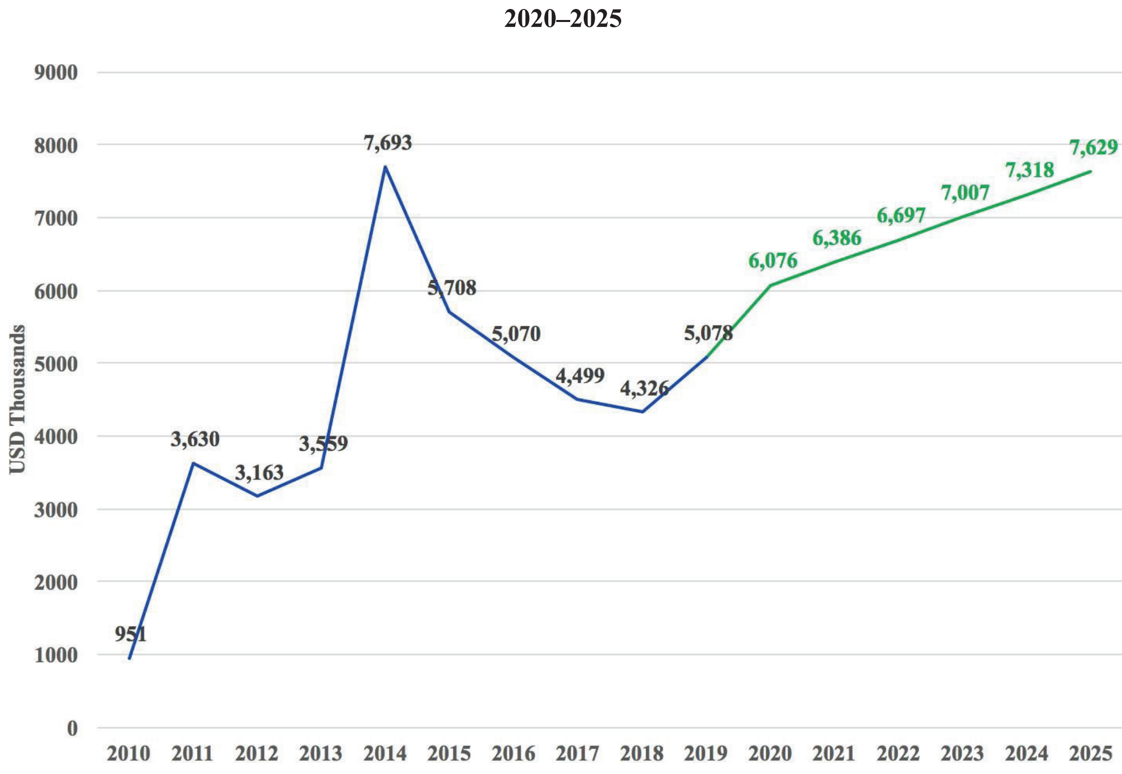
Value chain of the horticulture and agro-processing sector



Objectives and Targets

A forecast of horticulture exports was developed using a moderate approach. It is projected that horticulture exports will reach US$7.6 million by 2025, with a CAGR of 7 per cent per annum between 2020 and 2025.

Forecast of horticulture exports



Source: TradeMap.org 2020

* Note: Forecast by Tourism Intelligence International 2020

As such, the objectives and targets set for the sector are as follows:

To increase the volume and value of horticulture exports by an annual average rate of 7 per cent, to reach US$7.6 Million by 2025. This is further broken down as follows:

- grow vegetables (HS 07) by 7.8 per cent per annum; and
- grow fruits (HS 0804) by 12.5 per cent per annum.

To increase jobs and entrepreneurship opportunities in the sector.

To capture new markets and new niches and become less UK dependent.

Strategies and actions

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	Objectively verifiable indicators
Year-round production and supply of quality horticultural products	- Supporting and incentivising farmers to introduce irrigation (drip) across production sites and gardens for continuous production. - Training and encouraging farmers to introduce crop production calendar. - Implementation of Integrated Production and Pest Management - Farmer Field School (IPPM-FFS). - Research and development of good quality varieties.	Private sector, Department of Agriculture (DOA), agri-engineering services, National Agricultural Research Institute (NARI), ITC/Jobs Skills & Finance International Fund for Agricultural Development	Jan 2021-Dec 2025	15,000,000	Irrigation improved across nation Crop production calendars adopted by farmers IPPM-FFS introduced New varieties researched and introduced
To promote organic farming throughout the country	- Sensitising and encouraging farmers on organic production. - Implementing an organic farming awareness campaign. - Building local capacities to help with organic certification. - Building capacity on production of organic fertilisers, like compost.	DOA, Food Safety and Quality Assurance, PPS and private sector	Jan 2021-Dec 2025	2,500,000	Organic farming becomes best practice nationwide
To strengthen linkages between exporters and growers	- Promoting linkage between exporters and growers through a linkages mechanism (for example, a WhatsApp group). - Empowering commercial individual growers to supply exporters.	DOA, private sector, The Access and Benefit-Sharing Clearing House MOTIE, ITC, SheTrades Gambia	Jan 2021-Dec 2025	200,000	Linkages mechanism established Exporter-Grower linkages strengthened
To position The Gambia as a producer of high-value crops	- Encouraging farming of high-value crops. - Incentivising and capacitating farmers to focus on high-value crops.	Private sector, MOTIE, ITC/YEP, SheTrades Gambia	Jan 2021-Dec 2025	8,000,000	The Gambia is positioned in the marketplace as a high value crop producer

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	Objectively verifiable indicators
	- Creating export opportunities and identifying suitable markets and buyers for Gambian ‘superfoods’ and other high-value crops. - Driving awareness on the importance of high-value crops. - Marketing and promoting The Gambia as a source of high-value superfoods to take advantage of health and wellness opportunities.				- Awareness campaign launched - New markets and buyers identified and targeted - New marketing campaigns launched in the marketplace
To increase value addition and processing	- Providing capacity building to processors of agricultural produce. - Increasing availability of packaging materials (through investments). - Creating market opportunities for processors of horticultural inputs. - Providing business development services (BDS) to agroprocessing businesses.	MOTIE, ITC/SheTrades, YEP Andandorr Programme	Jan 2021-Dec 2025	1,000,000	- Training and capacity building implemented - Market opportunities identified and targeted - BDS provided
To maintain quality management and high standards in the sector	- Encouraging proper post-harvest handling, such as use of proper baskets - Building regional cold storages facilities and reefers and park houses. - Training producers on good agricultural practices. - Implementing/improving laboratory services for pest and disease diagnostics and residues.	Private sector, MOA, DOA, PPS, FSQA, MOTIE ITC/SheTrades Gambia	Jan 2021-Dec 2025	2,000,000	Quality management introduced in all areas
To develop and strengthen the regulatory framework for agricultural production and export	Implementation of SPS standards.	PPS, FSQA, private sector	2020-2024	500,000	SPS standards implemented

Key objectives and strategies	Activities	Lead responsibility / support	Timeframe	Budget (USD)	Objectively verifiable indicators
To encourage equitable opportunities in the sector	- Ensuring that women entrepreneurs and female workers are included throughout activities. - Ensuring that youth entrepreneurs and young workers are included throughout activities. - Ensuring that rural entrepreneurs and rural workers are included throughout activities.	GIEPA, MOTIE, private sector	Jan 2021-Dec 2025	750,000	- 150 women targeted for training and entrepreneurial /employment support - 150 young persons targeted for training and entrepreneurial /employment support - 75% of all outreach/support is targeted towards rural communities

Total horticulture budget: US$29,950,00