

18 March 2021

Innovations Session N°3

African Continental Free Trade Area
(AfCFTA):
opportunities for SMEs and
businesses in the agrifood sector



INNOVATIONS
SERIES





SCS INTERNATIONAL

SCS INTERNATIONAL MALI

ACTIVITIES AND VISION



SCS INTERNATIONAL

SCS IN SHORT AND IN FIGURES

- The company was founded in 1997.
- Capital of 400,000,000 FCFA
- 2,000 Tons of mango exported in 2019
- About 50 permanent employees
- 700 seasonal employees
- A network of over 1,150 small producers
- 500 certified producers



ACTIVITIES



- ▶ Since 2007, SCS has become a leader in the export of fresh mango from Mali by boat to Europe. SCS exports to the Netherlands, Belgium, Germany, the United Kingdom, Poland and the Czech Republic.
- ▶ SCS works with a network of more than 1,000 producers in 46 villages in the main mango production basins and operates two packing stations in Bamako and Sikasso, from which 2,000 tonnes of mango are shipped to Europe each year.
- ▶ SCS's model of collaboration with small producers having firm supply contracts and being supported by a dedicated quality team, which monitors and supervises the certification of the orchards to international standards, have made SCS a success and renown on the European market for the quality of its fruit. During the 3 months of the mango season (from March to June), SCS has a considerable impact on the economic and social activity in the regions concerned.
- ▶ 1,150 producers, with GGAP and social certifications, all leading and supporting their families, i.e. some ten thousand people affected (in Mali, a family is made up of 10 people on average) and more than 750 seasonal employees
- ▶ SCS has distributed more than 300,000,000 FCFA (€450,000) directly to Producers in 2019 for a volume of 2,000 tonnes of mango.
- ▶ Foreign exchange brought back to Mali in 2019 amounts to more than €1,500,000

ACTIVITIES



As mango is a seasonal activity, it was important for SCS to test and develop so-called secondary crops, in order to ensure activity throughout the year.

▶ **Two objectives are targeted: the local market and export.**

▶ ***The local market :***

▶ **In Kamalé,** SCS has been developing since 2017 a controlled and hygienic production in order to supply the local market where currently more than 50% of the fresh products consumed are imported. Currently this production concerns cabbage, pepper, okra, aubergine, carrot, beetroot, among others. Tests for other crops are underway.

▶ **In Kati, Diola, Freintoumou and Dara,** SCS is also developing the production of quality fresh produce such as peppers, cabbage, aubergines, tomatoes and onions with **660 market gardeners, 55% of whom are women.**

Based on its model of collaboration with producers, SCS supplies its network with the quality inputs needed for production, ensures quality monitoring and compliance with production standards. SCS aims at supporting 15,000 market gardeners for an annual production of 1,000 tons.

▶ ***Exporting***

SCS is developing other fresh products for export.

The objective is to create a commercial agriculture for external and sub-regional markets using Mali's agricultural potential,

SCS, through its example and its Quality Label, is committed to demonstrating that local SMEs can find their place on international markets, as was the case for mango, but also produce for the local market and offer a healthy alternative to imported products.

SUB-REGIONAL EXPERIENCE AND OPPORTUNITIES



- ▶ Since 2012, SCS International has been working on business opportunities in the sub-region thanks to the favourable position and high demand of the products in African countries, which import more than 70% of the fresh fruit and vegetables.
- ▶ In 2013/2014, SCS Inter tried to export mangoes to Gabon and then to Morocco. Exports to Gabon, a very interesting market, were halted due to transport constraints. Exports to Morocco, which have been developed in recent years, are also subject to the hazard of transport and border crossing constraints. A lot of fruit is exported illegally to Senegal, Mauritania, Cote d'Ivoire and Burkina, which affects the competitiveness of the actors in the normal circuit.
- ▶ In 2016/2017, SCS imported bananas from the Ivory Coast and set up a partnership to supply demanded fresh vegetables in the Ivory Coast and in Ghana. Thus, investments are made in a multi-product packaging site, an enlarged surface of cold rooms fitted out to be used in multiple ways. This partnership has been suspended due to the high costs incurred in placing the goods on the market which hinder the competitiveness of the products.

Conclusion

- There are many business opportunities in the West African intra-regional zone
- 70 to 80% of fresh fruit and vegetables are imported. Mali has the production potential to meet this demand for the local market and for neighbouring countries (Mauritania, Niger, Cote d'Ivoire, etc.), but many constraints need to be overcome through investment and long-term strategies:
 - Production to be upgraded (SCS 2Scale Partnership)
 - Lack of infrastructure (investment in cold rooms and production equipment)
 - High transport costs and entry fees to regional markets directly affecting the competitiveness (internalisation of transport)
 - Poor organisation of markets and prices (low prices, low competitiveness)



THANK YOU FOR YOUR ATTENTION



*This series of events is organised by PAFO and COLEACP.
COLEACP operates within the framework of development cooperation
between the Organisation of African, Caribbean and Pacific States (OACPS)
and the European Union (European Development Fund – EDF), with the
support of the French Development Agency (AFD).*

Thank you

