



*Groundnut is the only cash crop in The Gambia. During the dry season, women are busy peeling the nuts under the shade of a mango tree.*

*Photo: S. Eibisch*

# Cereal banks in The Gambia – a case study

During the 1970s, when severe droughts affected West African farmers, cereal banks became popular in the region. However, things quickly became very quiet again about this type of food security scheme, probably also because many of the cereal banks failed. Scientific surveys addressing the topic are scarce. A study in The Gambia in 2014 investigated how such cereal banks function and what the important variables for their success are.

Agriculture is the key sector and most important source of rural livelihoods in The Gambia. Generally, the length of the rainy season is becoming more variable. A distinct period in the agricultural calendar is the so-called 'hunger season' when rain falls sporadically in the period from August to September. At this point domestic grain stores usually have run empty, hence food prices in the market multiply while farmers must begin

the exhausting labour of preparing their fields for the upcoming season. Thus, the crops from the old harvest are eaten and the new crops are still about to grow. Farmers need to open up alternative income sources in order to be able to buy costly cereals at the market. Turning to non-farm work or eating cereals that were stored to serve as future seeds would endanger the next harvest.

In 2014, a qualitative geographic study was conducted for the West African Science Service Center for Climate Change and Adapted Land Use (WASCAL). It was to establish how cereal banks work in the Gambia and which variables indicate success or failure.

For this purpose, seven villages were examined on both sides of the Gambia River in the dry season of 2014.

## ■ An idea gains ground

Burkina Faso is thought of as the country where the idea of cereal banks originated from. During the 1970s, when severe droughts were affecting West African farmers, cereal banks became popular in the region. When exactly they gained ground in The Gambia could not be determined in the study. One helpful reference point was definitely the co-evolution of stone-made seed stores which were constructed by the government and

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non-governmental organisations in order to reduce the loss of crops during storage by insects or fire in the 1980s and 1990s.

A cereal bank is a community institution that awards cereal loans to the village inhabitants during the rainy season that are repayable with a small extra charge after the harvest. Typical crops that form the loan in cereal banks in The Gambia include millet, sorghum, rice and maize, which are stored there until needed to support the family kitchen. In this way, farmers are prevented from selling cereals at low prices when there is an excess supply shortly after the harvest. This means that they keep most of their food and do not need to buy it later at a much higher price, when cereals are rare and expensive because of the hunger season and the upcoming sowing season. Cereal banks in The Gambia are built with funds from either the government or donors (World Bank, Social Development Fund, ActionAid), although some communities have initiated them on their own.

### ■ How do the cereal banks work?

According to scholarly definitions, a cereal bank is a rural organisation to secure food security by buying, storing and selling grain which is managed by a committee. This committee is usually appointed by the user community. Cereal banks in The Gambia operate completely without money. The entire loan process is organised 'in kind'. This characteristic makes cereal banks suitable for community management and self-sustenance. The only support that might be needed is the construction of the storage house. But suitable buildings already existed in many villages as a result of the construction programmes in the 1980s and 1990s. The buildings now belong to the community, which can choose how to make use of them. Thus, in theory, external support consists solely of an initial stock of grain which is supplied and added to the deposit by a non-governmental organisation, but in some cases advisory support and further training on management issues is recommended.

Once the cereal bank is well-stocked, the Village Development Committee (VDC) and the village community may agree on the conditions for the repayment of loans. These may include interest rates or penalties. The loans are paid out again during the rainy and the "hunger season". Loan-takers usually have to repay their loans and interest rate in-kind after the next harvest. The interest helps to increase the stock of the bank. It can also be sold to cover maintenance costs of the storage house.

Village Development Committees were established in The Gambia as part of the Local Government Act of 2002. They are elected by the rural communities. Usually, the VDC leads the cereal banks after appointment by the community. VDC members are volunteers who engage in many different development and village issues. Therefore, it seemed self-evident to make them oversee the cereal banks as well.

There is no formal membership of cereal banks in The Gambia. The banks operate as a village project, and every family that needs food may ask for a loan (unless the stock is exhausted). All of the interview partners in the study said that the entire village was running the cereal bank and all families benefited.

### ■ Variables for failure and success

For the survey, seven villages which are spread in the hinterland of The Gambia were examined, giving more information on cereal banking set in different ethnic backgrounds and population densities. Results from the case study showed that many of the initiatives observed had started falling apart when NGOs and other donor organisations withdrew from sup-



*Seed storage houses are found in most of the villages in The Gambia.*

*Photo: S. Eibisch*



*Cereal banks secure farmers against post-harvest losses and buffer local volatility in food prices.*

*Photo: S. Eibisch*

porting the cereal banks and the VDC members were left alone with the management. Three of seven villages had lost their cereal banks by the time of research. And even the failed cereal banks had worked for three to nine years before their breakdown. Their users had low incomes and had had difficulties paying back their loans. Other poor farmers looked at those users who did not repay and felt that these had gained an additional economic profit. Others then also refused to pay the loans back – starting a chain reaction which undermined the operation of the cereal bank. This had happened in at least two of the villages observed. Once, the complete breakdown of the cereal bank took less than a month.

Why did some cereal banks fail while others succeeded? How could the willingness to repay loans be ensured and by whom? The case study

identified four crucial variables: leadership, collateral security, peer pressure and sanction capability.

**Leadership matters.** The traditional and political leader in Gambian rural communities is the Alkali or Alkalo. One of the villages with strong leadership and a well-working cereal bank is Changai Wollof. Changai's cereal bank provides about 2–3 bags of cereals (50 kg each) for each household head of the 800 inhabitants each year. When asked about the repayments of loans, one committee member answered: "If you don't pay we will take you to the Alkali. And if the person still insists on not paying then we have to take the person to the district chief but, in fact there has not been any instance that we have taken someone to the Alkali. The Alkali helps us collect our loan." Farmers often seem to comply with the rules of the cereal bank, indicating the authority and standing of the Alkali amongst his villagers, because they fear the disgrace in front of the Alkali when he is a strong leader and sets a good example.

The above-described impact can be reversed if the leader does not follow the commonly agreed rules on loan distribution. This has been observed in two of three villages where cereal banks had collapsed. Since the authority of the Alkali cannot be publicly questioned, his refusal to repay loans weighed much heavier than the default of a simple farmer. A local consultant gave a similar description of this phenomenon: "If the village head himself happens to default, some other people will say, look, when the village head has defaulted and he is not paying, so why I am going to bother myself with paying."

**The practice of collateral security.** Six out of seven villages in the study demanded collateral security from their users if they wished to take up a loan. This 'guarantee' was usually an agricultural tool for sowing (a seeder) with a value of approximately two bags of cereals. In case of a refusal to pay back the cereal loan, the guarantee could be sold. This practice differed amongst the villages. In the

village of Medina Sancha, with mainly a Wolof population, the cereal bank was operating without problems. The secretary of the committee explained why: "It's because of the guarantees. If you give loan to anybody without a guarantee, he will not repay it – not only in this village."

**Peer pressure and gender.** The community in Changai Wollof are operating their cereal bank without problems, too. And they do not ask for collateral security. Here, the authority of the Alkali seems to motivate users sufficiently. The Alkali of Changai Wollof takes advantage of the fact that not paying back the cereal loan is a public disgrace that is feared by all villagers. The study revealed that women in particular responded strongly to such peer pressure. This is also the case in Medina Sancha, where women are exempted from providing the collateral security. A committee member explained: "Everybody gives guarantee except for the women [...] Because when it comes to the loan issue, women are more reliable than men. Because whatever you give a woman, she would stake her life to pay it back, because she would not want to go out and have her fellow women telling her that she has not paid."

Public disgrace is just one side of the coin. If the community feel exploited by individuals, they may also turn against the culprits and deny them all mutual support that rural

households in The Gambia depend on. "... they will isolate you, and you won't get money, nor help for problems, nothing," claimed a youth leader in Changai Wollof.

**Sanction capability.** In some cases, a collateral alone cannot ensure repayment. All three villages observed with collapsed cereal banks hesitated to sell the collaterals they had collected before. This motioned the wrong sign to the other users. A chain reaction was set in motion. The Committee needs to be very strict, even if the debtor is poor or just unfortunate. If the committee perceives the strict punishment not suitable, it needs to find other opportunities to help the person without abating the cereal loan. This shows that guarantees alone do not sustain a cereal bank. It needs the willingness to actually sell the collateral in order to fill the cereal deposit again.

## ■ Conclusion

There is consensus about the important role that cereal banks can play in providing food security. The largest share of the villages in the study had been operating their bank without external support for the past few years. The functioning cereal banks operated economically and were able to cover expenses for maintenance. Thus, success stories of cereal banks can be found in The Gambia and provide a learning ground for users, researchers and development workers alike.

### Cereal banks in West Africa

In the early 1990s about 3,300 cereal banks were counted in West African countries including Burkina Faso, Senegal, Niger, Mali, Chad, Mauritania and The Gambia. In the following years, they came a bit out of fashion, only to enjoy more support again from government and non-governmental organisations at the beginning of the new millennium. By 2008, for example, 4,000 cereal banks were operating again in Niger. Reliable statistical data is not available for the other countries since there are hardly any scientific surveys on the topic.

The study "Cereal Banking in The Gambia: In search for adaptation to climatic variations on the community level" was conducted for the West African Science Service Center for Climate Change and Adapted Land Use (WASCAL) and supervised by the University of Bonn (Department of Geography and Center for Development Research), Germany. WASCAL was initiated by the German Federal Ministry of Education and Research in 2010 and is acknowledged as an international institute by the Economic Community of West African States – ECOWAS (see also: [www.wascal.org](http://www.wascal.org)).