Senegal's US$32M project to accelerate peanut processing

The project is expected to help Senegal reduce dependence on imported refined oils, improve oil extraction rates through shorter post harvest intervals, and create a more competitive value chain for smallholder growers.

SENEGAL – Senegal is preparing to invest 18 billion CFA francs (US$32 million) in a new integrated peanut-processing complex in Médina Yoro Foulah, Kolda region, as the country seeks to move more of its peanut production into local processing and strengthen agricultural value addition.
The project is being developed by the state-owned Société Nationale de Commercialization des Oléagineux du Senegal (SONACOS), with the investment expected to bring industrial processing closer to one of the country's emerging peanut-producing areas.

The planned facility is part of a broader government strategy to reposition SONACOS and strengthen Senegal's agricultural sovereignty.
Prime Minister Ousmane Sonko announced in February that the government would establish a peanut crushing plant in Médina Yoro Foulah, noting that the peanut-growing basin is increasingly shifting toward southern Senegal.

The stated aim is to prioritize supplying local processors before marketing any potential surpluses for export.
According to the National Agency for Statistics and Demography (ANSD), in its latest annual report on foreign trade published on July 30, Senegal exported 22,441 tonnes of crude peanut oil in 2025, the highest volume in six years.

SONACOS is also expected to concentrate more of its peanut collection activities in the department, improving its proximity to producers and raw-material supplies.
The new industrial complex is planned for a 15-hectare investment zone in Médina Yoro Foulah. It is expected to integrate several stages of the peanut value chain, including seed reception, crushing, refining, detoxification and marketing.
By locating processing infrastructure closer to farms, SONACOS aims to reduce logistical challenges, improve supply-chain efficiency and create a stronger market for farmers in Médina Yoro Foulah, Vélingara and Médina Gounass.

The Kolda investment adds to Dakar's broader push to industrialize the country's groundnut sector, historically one of Senegal's most important export crops, but one where a large share of value has long been captured abroad through raw exports, particularly to China.
Government-backed agropole projects elsewhere in the country have set similar targets: the Agropole Centre initiative, covering the Kaolack, Kaffrine and Fatick regions that make up Senegal's traditional "Groundnut Basin," aims to lift peanut processing rates from roughly 15% to 50% of national output.

A related agro-industrial park inaugurated earlier this year in Kolda and Adéane, co-financed by the African Development Bank and the Islamic Development Bank at a cost of around US$50.5 million, targets the maize, mango, and cashew value chains and is projected to create up to 15,000 direct jobs.
In January, Senegal opened a new edible vegetable oil refinery with an initial daily processing capacity of 600 tons of vegetable oil from sources like peanuts, palm, and other oilseeds, potentially yielding 180,000 tons annually under full operation.

For Senegal's peanut sector, the new investment represents a shift from exporting or moving raw agricultural products toward processing closer to production zones, potentially increasing farmer market access, employment and domestic value capture.

Source: https://millingmea.com/senegals-us32m-project-to-accelerate-peanut-processing/