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STUDIES ON SELECTED COMMODITIES
AS A BASIS FOR INTERNATIONAL COMMODITY NEGOTIATIONS
AND CONSULTATIONS AMONG AFRICAN PRODUCING COUNTRIES,
AND BETWEEN THEM AND OTHER PRODUCING COUNTRIES:
COTTON; BANANA

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INTRODUCTION

1. When ECA/OAU presented the study, "commodity problems and policies consultation among producing countries", to the Fifth ECA/OAU Joint Meeting on Trade and Development, the delegates expressed regret that a number of commodities of export interest to African countries including cotton and banana were omitted. The meeting subsequently requested the ECA/OAU secretariats to study the problems of a selected list of commodities not dealt with in the above study and to make concrete proposals for concerted action by interested African producers.

2. In response to this request, Part I of this study deals with cotton while Part II deals with banana. In the concluding portions of both Parts, proposals for concerted action are made.

PART I: COTTON

Chapter I: AFRICA IN THE WORLD COTTON ECONOMY: THE PRESENT SETTING

A. Trends in production, consumption, stocks and trade

3. Table 1 presents world cotton production, stocks, consumption, export and import statistics for the period 1961/62 to 1970/71. Furthermore, it divides the cotton world in seven major producing regions for the purposes of the analysis.

4. In 1961/62, the world production was 45,354 thousand bales and increased to 53,388 and 53,627 thousand bales in 1965/66 and 1968/69 respectively before decreasing to 51,599 thousand bales in 1970/71. It can be seen that Africa ranks fourth after Asia/Oceania, with about 35 per cent, USA with over 19 per cent and Eastern Europe with over 17 per cent of world cotton production respectively in 1969/70 year. If, on the other hand, cotton stocks for the ten year period are added to cotton produced during the same period, Africa's margin, especially over Latin America, would substantially narrow.

5. During the period under review, the yearly average cotton stocks were slightly over 24,000 thousand bales, building from a low of 19,692 thousand in 1961/62 to a peak of 30,743 in 1966/67 and then 21,513 thousand by 1970/71. USA held the largest share, followed by Asia/Oceania. Africa's share during this period was less than 7 per cent of world total.

6. For the period 1961/62 to 1969/70, yearly world consumption ranged between 45,147 thousand bales in 1962/63 to a high of 53,476 thousand bales in 1969/70. While the relative consumption ratios changed over the years, the large consumers remained Asia/Oceania, Eastern Europe, United States with 42 per cent, 19.8 per cent and 14.9 per cent of 1969/70 world total, respectively. Africa's share was the smallest for the whole period and in 1969/70 was 3.4 per cent of world total.

7. In the last two decades fibre consumption increased substantially and grew at an annual rate of nearly seven per cent. During the first part of this period, cotton consumption maintained a small but nevertheless steady expansion. In 1950/51 consumption was 35,163 thousand bales and in 1960/61 it was 48,042 thousand bales. The average annual increase was 3.4 per cent representing a rate of increase comparable in consumption to that of man-made fibres.

8. From 1960 to 1970 cotton consumption increased at an average annual rate of 1.3 per cent, compared with over 11 per cent in man-made fibres. In 1969 the non-cellulosics showed an increase of 4.5 million bales, a rise bigger than the total increase in cotton consumption during the preceding five years of just about 4 million bales. Although consumption of man-made fibres was faster in North America, Europe and Japan, even the developing countries have increased their share of the manufacture and consumption of man-made fibres.

9. The acceleration in the consumption of competing fibres was fastest in the last part of the last decade. This phenomenon has been of great significance to cotton exporting countries especially in the major cotton markets of Western Europe and Japan. In 1969/70, the total exports to these two markets were about 9,568 thousand bales and represented nearly 53.8 per cent of world total. In 1959/60 these markets absorbed 63 per cent of world total and even a higher percentage in earlier decades.

10. A little over one-third of world cotton produced yearly entered international trade. In 1961/62 the amount was 15,452 thousand bales and in four of the years within the period exceeded 17,000 thousand bales. Although Africa accounted for an average of 9.6 per cent of world production for the period 1961/62 to 1970/71, it supplied around 20 per cent of total world cotton entering international trade. Asia/Oceania, USA, South America and Eastern Europe contributed 17.1, 15.9, 15.5 and 11.2 per cent respectively during 1969/70.

11. Asia/Oceania was the largest importer, followed by Western Europe and Eastern Europe. These imported 40, 34.3 and 20.2 per cent respectively during 1969/70. Both Africa and South America imported a negligible ratio of 1.2 per cent each, during the same year.

B. Short, long and extra-long staples

12. Research has resulted in a proliferation of cotton qualities which is reflected in variations in prices commanded in international markets. In general, staple length has remained a major determinant of quality and thus prices. According to the International Cotton Advisory Committee (ICAC), three broad groups are identified, namely the short- or medium, the long- and extra-long, which correspond to less than 1 1/8, 1 1/8-1, 3/8 and over 1 3/8 inches, respectively.

13. From Table 2, it will be observed that, although not an important source of cotton supplies generally, Africa is the world's leading producer of extra-long staples. Egypt, Sudan, and to a minor degree, Morocco are the main producing countries, accounting for nearly the entire African contribution. The average share of Africa's production in the world total was over 82 per cent for the ten-year period, registering an upward trend in recent years. The other producers outside Africa are Peru, USSR, USA and Southern Yemen, which in 1969/70 contributed 6.1, 4.4, 3.8 and 1.0 per cent of world total respectively.

14. Table 3 gives the production figures of long staples by major producing countries. USSR, UAR, USA produce nearly 80 per cent of world supply of long staple. The largest producer is USSR contributing over 30 per cent of the world total over the nine-year period. USSR, UAR, USA, Peru, Uganda, Brazil and Mexico contributed 37.9, 28.9, 12.6, 4.9, 2.7, 2.2 and 1.6 per cent respectively, during 1969/70.

15. During 1969/70, Africa's production accounted for over 32 per cent of the world total of long staples and as in the case of extra-long staples, this production constituted even a larger ratio of world cotton trade. Egypt and Uganda contributed nearly all Africa's long-staple cotton.

16. Both the extra-long and long staples make up more than 55 per cent of all Africa's cotton production. The combined volume of these two classifications constituted around 53 per cent of Africa's cotton exports and 14 per cent of world total cotton exports. It is significant to note, that both Egypt and Sudan enjoy a special price advantage based on the superior qualities of their cotton, supported by high yield and a large volume of production.

17. The balance of African cotton is of medium- or short-staples. This is produced in relatively small quantities in over 26 African countries. Most significant among them are Tanzania, Nigeria, Chad, Rhodesia, Mozambique, Angola and the Central African Republic.

C. Yield and acreage

18. The major factor underlying relative production levels has been the inter-relationship between acreage under cotton cultivation and yield performances. Out of a world average of 80,000 thousand acres under cotton cultivation during the period between 1961/62 to 1970/71, Africa maintained an average 12.6 per cent contribution. The Asia/Oceania region had more than 50 per cent of world acreage, followed by North America where the largest share was in USA, Mexico, and then Africa.

19. From Table 5 it will be noted that while Asia/Oceania has the largest cotton acreage, its yield per acre is on the whole the lowest. Thus in 1970/71, Asia/Oceania had 50.5 per cent of world acreage and yet produced less than 35 per cent of world cotton in the same period. On the whole, Eastern Europe has a yield of three and half times as much as Asia/Oceania and nearly three times that of Africa. Western Europe and North America have much higher yields than Africa.

20. Within Africa itself it has already been pointed out that Egypt and Sudan are by far the largest producers of cotton and contribute more than 50 per cent of Africa's total. Yet, in terms of acreage under cotton cultivation, their combined total is less than 27 per cent of all Africa's acreage. Thus in 1967/68, when Uganda had nearly twice as much acreage under cultivation as Egypt, the latter produced nearly seven times as much cotton as the former. In that same year Egypt's yield was over 570 lbs/acre as opposed to Uganda's yield of 64 lbs/acre.

D. Price trends

21. From Table 4, it will be observed that the longer the cotton staple the higher the price on the world markets. Long- and extra-long staples are generally considered to have high fibre strength and a high degree of fineness, both qualities desirable in the textile industries. Thus Egypt's Menoufi F.G. was 62.53 and 63.18 US cents for 1968/69 and 1969/70 cotton years respectively. On the other hand, the short- or medium USA Orleans Texas M 1" at 26.32 was less than 41 per cent of the former.

22. It can be deduced that while cotton prices have tended to fluctuate around a downward trend, the relative margins between the extra-long and long with the short- or medium-staples have tended at least to remain constant. It is however difficult to ascertain this conclusion since continuous implementation of research results have led to frequent changes in characteristics and brand names. Thus in Table 4, the price comparisons of cotton classifications have been limited to two years 1968/69 and 1969/70 only.

23. Costs of production have varied among producers. Generally for North America and Western Europe, price supports have enabled some farmers to profit in an otherwise less competitive use of their resources. In some developing countries production costs continued to be relatively lower due to less costly labour input as well as availability of good cotton land. Profits were reduced mainly because of waste in harvesting, especially in Africa.

E. Importance of cotton in African economies

24. Although Africa accounted for an average of 9.6 per cent of world production for the period 1961/62 to 1970/71, it supplied nearly one-fifth or above 20.5 per cent of total world cotton entering international trade. Thus, it is obvious that over the years cotton has continued to evolve in Africa as a raw commodity export whose central role in African economies, though steadily changing, remains that of generating foreign exchange. This contention is supported further by the steady low level of cotton imports in Africa, less than 2 per cent of world total, and the negligible ratio of cotton textile exports from Africa to world total.

25. For Africa as a whole, cotton's relative share in her overall total exports has tended to contract in recent years. In Table 6, it will be observed that while in 1961, cotton constituted nearly 10 per cent, this ratio decreased to 6.6, 5.1 and 4.8 per cent in 1965, 1968 and 1969 respectively.

26. For individual African producing countries, the importance of cotton in total exports has varied, both in terms of ratio during a given year and in terms of change over the last ten-year period. The tendency has been for a relative contraction of cotton's share in the total value of all exports, except for the Sudan. In part, this has been attributable to prices commanded in international markets and in part to increases in the value and range of other exports.

27. It nevertheless remains a fact that cotton dominates the economies of Chad, Sudan and Egypt where the ratios of cotton exports to total national exports were 81, 50, 61.9 in 1961 and 60.6, 61.4 and 40 per cent respectively in 1970. Cotton is extremely important in a number of other countries and territories including CAR, Uganda, Tanzania, Upper Volta, Mozambique, Mali, Dahomey, Burundi, where in 1969 cotton accounted for 27.8, 17.7, 14, 31.6, 19.7, 11.8, 11.1 and 8.3 per cent respectively of their total exports.

28. In examining the importance of cotton in the economies of the respective African countries, it is worth bearing in mind that, in addition to being a major source of foreign exchange, its impact on the economies includes the creation of employment and increased monetization of the economies.

Chapter II: FUTURE DEVELOPMENTS

A. Demand projections

29. According to the FAO agricultural commodity projections 1970-1980, world demand for cotton is to increase by 1.6 per cent per annum, during this period. The most rapid advance (3.8 per cent per annum) is expected in the developing regions. This is expected to result chiefly from population growth while, with varying significance, rising incomes would be a complementary factor. The greatest increases are projected for the Near East and Africa where the increased use of domestic cotton is likely to moderate the inroads of man-made fibres into expanding textile markets. Per caput consumption in these regions is projected to rise from 3.3 to 4.0 kilogrammes and from 1.1 to 1.3 kilogrammes, respectively. The most rapid advances are expected in Eastern Africa, Syria, Turkey, Iran and Iraq. For South Asia, the projected increase is more moderate due to the relatively slow growth in income per caput, and the increasing consumption of man-made fibres, especially in India. Per caput consumption of cotton in that sub-region is projected to rise from 1.9 to 2.1 kilogrammes. Finally, relatively small increases are projected for South America, East and South Asia, and above all, Central America, where considerable inroads by synthetic fibres are expected to reduce cotton markets. Per caput consumption in South America is projected to rise only from 3.0 to 3.2 kilogrammes reflecting falls in Argentina, Brazil and Chile. In East and South East Asia, it is projected to remain unchanged at 1.4 kilogrammes, since growth is anticipated only for Burma, the Philippines and Thailand, while Central American consumption per caput is projected to decline from 2.7 to 2.5 kilogrammes.

30. In the centrally planned economies the emphasis on the production of consumer goods is likely to continue, although synthetic fibres will accelerate their rate of displacing cotton. Thus during 1970-1980 the projected cotton demand increase will be 1.6 per cent annually. Centrally planned countries of Asia will probably consume at comparable rates as elsewhere in South Asia and depend more on domestically grown cottons. Thus per caput consumption in these countries is projected to rise from 1.9 to 2.3 kilogrammes. By contrast, per caput consumption in USSR and Eastern Europe is projected to fall from 6.3 to 5.3 kilogrammes with the growth in synthetic fibre usage, so that total cotton consumption is to decline.

31. In developed countries, demand is projected to drop by 0.4 per cent annually. Two factors are responsible, namely inroads by synthetics into markets of cotton and slower growth in expenditure on textiles. Substantial increases in consumption, both total and per caput, are projected for Japan, where income growth and consumer preference for natural fibres may well raise per caput demand from 6.2 in 1970 to 7.5 kilogrammes by 1980. Aggregate demand for cotton in Oceania, Israel is to remain nearly unchanged and will drop in Western Europe, North America from 4.1 to 3.3 kilogrammes and 8.5 to 6.8 kilogrammes respectively. In these regions, the use of cotton in industrial production is likely to shrink even faster than in the past while cotton clothing and household textile may diminish less rapidly due to possible quality improvements that enhance cotton's consumer preferences.

B. Supply projections

32. Supply projections assumed a 5.8 per cent fall in world prices for cotton, the progressive scarcity of land in most producing countries, continued restrictions on cotton plantings in USA and Egypt, and further technological advances leading to the continuation of past trends in average yields per hectare. Adjustments have been made for certain countries which experienced set-backs during 1960s and for agricultural and trade policies of producing countries, etc.

33. On these assumptions, the annual rate of growth in world cotton production is projected to slow down from 2 to 1.6 per cent between 1970 and 1980. The USA crop, which declined by 1.5 per cent annually during the sixties, may contract at the rate of 0.9 per cent yearly, while output in the rest of the world may expand by 2.3 per cent annually, compared with a growth rate of 3.3 per cent between 1960 and 1970. Cotton production is projected to expand by 2.0 per cent per annum in centrally planned countries, and by 2.4 per cent in developing regions.

34. Cotton production is expected to decrease in most of the developed cotton producing countries. USA is likely to experience a shrinkage of acreage under cotton particularly if domestic support prices are maintained near world levels. It is, however, expected that, due to a 1971 upland cotton programme, the drop in USA cotton supply will not be as low as that realized in 1967-69.

35. In the centrally planned economies, with the exception of China, cotton production is expected to decline in the late seventies.

36. Production in developing countries is projected to slow down with anticipated declines in Mexico, Central American countries, Argentina and Peru. Brazil and Columbia are expected to experience high rates. For the Near East as a whole, 1980 production is projected at 27-28 per cent above 1967-69 level, with expansion in Egypt and Sudan in shorter staple cotton for domestic requirements. The combined crop in Asia and Far East is projected to rise 30 per cent over the 1967-69 level, with India and Pakistan registering the highest rise. In Africa production is projected to increase by 57 per cent above the 1967-1969 level. This fast growth is attributed to anticipated progress in the implementation of irrigation schemes, transition from subsistence farming to commercial agriculture, and in certain countries the stimulus given to cotton cultivation by guaranteed outlets for the fibre, either in raw or semi-manufactured form, under agreements with importing countries.

C. Problems and prospects

37. The contraction of cotton shares in the traditional major markets and in developed countries as a whole, has a number of implications and causes. These are related, inter alia, to the future of cotton in world fibre markets and to a number of economic, technological and policy considerations.

38. Between 1959 to 1970 the price of cotton at the mills averaged somewhere between 30 to 50 cents a pound. For rayon staples the price averaged slightly below that of cotton. In the case of polyesters, the price was over 140 cents in 1959 and gradually went down and in the last few years steeply dropped down to between 35 to 47 cents a pound in 1970.

39. Judging from the changes in the relative shares of man-made fibres and cotton in total world fibre consumption, the drop in the price of man-made fibres is an indication of cotton's vulnerability. Quality considerations lie behind this.

40. Quality considerations have a strong influence on the buying decisions of the consumers and thus on the production and merchandizing policies of manufacturers. Consumer acceptance of textile products depends on appearance and performance, which in turn depend on comfort, maintenance and durability.

41. Out of a list of more than 50 quality requirements, cotton is able to satisfy many better than competing fibres do. These requirements include, absorbency and non-irritability, washability and bleachability, resistance to piling and seam slipping. However, cotton lacks the wrinkle resistance crease retention where needed, crease shedding, quick drying, shape retention qualities and durability. It is poorer in lustre retention and generally not light weight and resistant to weathering. ^{1/}

42. As a result, while world demand for major textile fibres has more than doubled in the last twenty years, man-mades accounted for a substantial ratio of consumption increase. Thus by 1970, man-mades had captured 38 per cent of the total fibre market as against 17 per cent twenty years ago.

43. Cotton's share of the world cotton textile market fell from 68 per cent in 1960 to an estimated 54 per cent in 1970. This fall was most spectacular in the major cotton textile producing countries such as Japan, Western Europe and USA. This trend has already spread to the developing countries as well. For the developing world as a whole, their production capacity for man-made fibres in 1971 was estimated to increase by 40 per cent over 1970, to about 1,845,000 bales.

44. The developed countries, especially those of Western Europe, still dominate the world's dress fashion and styles, therefore in addition to quality considerations, a fibre in order to maintain its position or even to make gains in textile markets anywhere in the world, must be able to attract and keep the active interest of the fashion centres, their suppliers - the progressive textile mills - and leading designers. Cotton has to appeal to this whole spectrum of designers, textile mills and ultimately to consumers.

^{1/} Cotton Times: Vol. 1, No. 2, May 1969, p. 3.

45. On the whole, generous research funds have been available for developing man-made fibres and for their sales promotion. Not only have the man-made fibre producers been quick to respond to consumer quality preferences but they have promoted sales to consumers through aggressive advertising and other means. They have provided comprehensive technical assistance and sales services throughout the textile chain from spinner to retailer.

46. On the other hand, a number of gaps exist between most cotton producers and cotton end-users and consumers. Thus, while cotton's qualities could have held in check the rate at which man-made fibres made gains at the expense of cotton, this was impossible, due to the lack of comparable research funds, concerted strategy and aggressive trade and technical service promotion.

D. Africa's cotton problems

47. If present fibre consumption trends continue, it is conservatively estimated that between 1970 and 1975, the textile market will grow by about 17.5 per cent. If cotton at least maintained her 1970 relative share in the fibre market, this would result in cotton consumption being 9 million bales higher in 1975 than in 1970.

48. While Africa's relative export performance has been fairly good in absolute terms, the earnings therefrom are not very substantial owing to modest world prices, and more particularly the low productivity of the region. Africa must of necessity be concerned with increasing her share in world exports of cotton, and this in the face of competition from other producers elsewhere.

49. Productivity is generally very low except for Egypt and to some degree the Sudan. Production technology needs a good deal of improvement, this in turn requires much wider diffusion of techniques and knowledge to the growers, than is at present the case. Problems are generally met in the production and breeding of improved seed varieties, use of fertilizer, crop husbandry methods, mechanization and/or availability and application of efficient agricultural implements, disease control, irrigation techniques, harvesting and storage, etc. The combined effects of these factors resulted in the generally low yields which characterize much of Africa's cotton production. With increased productivity Africa would be in a position to offer cotton at a lower price, as well as to increase her supply volume and her share of world trade.

50. The bulk of Africa's cotton is exported in its raw form. In other words, exports of processed and manufactured cotton articles are relatively few, and even more noticeable, constitute an insignificant share of Africa's exports. In addition to the foregoing, and the considerable value added due to the near total export of all cotton in raw form, Africa's imports of textiles including cotton fabrics are considerable. This situation has to change in the future. For this to happen, practical ways must be sought to increase foreign exchange earnings from cotton-based products. Prospects exist especially in intra-African trade and the negotiation of profitable trade agreements with developed market economies and planned economies.

Chapter III. MEASURES TAKEN TO ASSIST THE COTTON INDUSTRY

A. At national level

51. Measures in respect of cotton have varied within Africa, although the overriding objective has remained the increase of cotton production for export and for domestic use. To this end, a number of countries have placed emphasis, with varying degrees of success. Work in this field covers genetical improvements to the crop and investigation of the environmental limitations to production. In countries such as Egypt and Sudan improved varieties have been introduced fairly rapidly while in others only limited success has been registered.

52. In the discussion of cotton problems, mention was made of the need for the accumulation, diffusion and implementation of knowledge and techniques for increasing cotton production and quality. While efforts are being made in this respect, extension services, proper husbandry and agronomical methods are still inadequate.

53. In the case of marketing, most producing countries have agencies which control quality and domestic pricing. Thus control is exercised in the marketing of cotton by the growers, and at the same time, on the amount that farmers may willingly decide to produce, through the manipulation of prices and quality standards.

B. At regional level

54. Most co-operative activities in the field of cotton in Africa are carried out among countries that used to be ruled by the same colonial powers. At this level, limited co-operation is immediately evident. Measures at the level of the African region as a whole are, and have traditionally been limited both in number and complementarity.

55. In the field of research, research centres in various countries have exchanged findings, research materials and personnel engaged in cotton activities. In the case of a number of French-speaking countries there is even some limited degree of task specialization.

56. A wide area exists in which regional efforts in the interest of cotton could be undertaken or where action is presently very limited. Research could be better co-ordinated and in some cases financed collectively. Agricultural education, communication and extension work in general could benefit as well.

C. At international level

57. A number of international organizations are actively engaged in the search for solutions to the problems facing cotton at all levels. These organizations include the United Nations, through the UNCTAD Committee on Commodities and the Permanent Group of Synthetics and Substitutes, as well as FAO, IBRD, UNDP, the International Institute for Cotton, the International Cotton Advisory Committee and the GATT.

58. The International Cotton Advisory Committee and the International Institute for Cotton are inter-governmental associations of those countries having an interest in the production, export, import and consumption of cotton. Their work is similar to that of the United Nations and specialized agencies in this field. The ICAC's efforts are mainly concentrated at present on research and development relating to cotton production. Two aspects of major significance in this regard are quality improvement for natural product and the reduction of unit costs of production.

59. The IIC (International Institute for Cotton) started a number of cotton projects in 1967, many of which have already been completed while others are still in progress.

60. The objectives of IIC projects are to complement national programmes, to provide such group services as are more economical, to undertake jointly rather than individually in each country, such activities as will generate greater interest in the textile industry and trade than is possible through independent national campaigns, and to promote the image of cotton and naturally IIC on an international scale.

61. Programmes for better cotton sponsored by IIC and other international agencies have included the search for and discovery of better textile techniques, resulting in such innovations as break-spinning and twistless yarns. The former technique tends to produce greater evenness, abrasion resistance, firmer structure and fewer weak spots. The products of the latter technique have a higher lustre and their colours are richer.

62. Work is also progressing on improving easy-care finishes for cotton. Already claims of success have been made and production undertaken. In addition, co-operation between textile chemists and breeders is in progress to search for cotton fibres which can best respond to consumer demand. Research therefore examines the fundamental basic structure of cotton fibres, with a view to aiding in the development of finishing techniques which when applied to industry would improve the wear-life and easy-care characteristics, etc., of cotton textiles. 1/

63. At the fourth session of the permanent Group of Synthetics and Substitutes, IIC was requested to submit a report on "Research and development in cotton processing and utilization". During the Fifth Session the report was submitted. It dealt with the activities being undertaken in this sector and areas where other agencies could play a more useful role.

64. IIC demonstrated how its programme is integrated and called for centralized management in order to co-ordinate the various components of research and development activities envisaged, such as the physical and chemical modification of cotton fibre structure, developments in industrial processing and technical assistance to industry to ensure the successful introduction of new products.

1/ Cotton Times: Vol. 1, No. 2, May 1969, pp. 4-5.

65. The difficulty that IIC faces in carrying out its task effectively is on the side of financing, and in this connexion UNDP and IBRD have been approached. The Bank, UNDP and FAO are jointly sponsoring the establishment of a consultative group, comprising of donor countries, international organizations and private foundations, to consider the needs of developing countries for special efforts in agricultural research at international and regional levels. The Group was expected to appoint a Technical Advisory Committee of Experts to assist it.

Chapter IV: CONCLUSIONS

66. The world cotton situation continues to evolve and thus requires a constant re-examination and modification of strategies. Equally important in such a state of affairs, is the existence of some latitude for shaping the destiny of the cotton industry. Three broad aspects of this situation could be considered, namely, the relationship of production and demand, cotton's competitive prospects, and additional measures which could be taken in respect of cotton.

67. Cotton prices were generally depressed in the last decade mainly because production and cotton stocks exceeded consumption levels. The seventies have started with some fear of shortages and the prices of cotton have climbed as a result. Not only the variation of volume produced but also the acreage, yield, optimum amount of each variety of cotton, and geographical distribution are all important considerations. Thus a deliberate policy to balance supply and demand is essential so as not to drive cotton consumers to substitutes. It is also necessary to abstain from price supports which discourage competitiveness, and to aim at better resource allocation among producing countries.

68. In Africa, all producing countries need to improve their productivity, while some countries need to increase their acreage. This is justifiable in certain cases because of competitive production costs, and the need to earn foreign exchange. To achieve this objective, research and promotion, as well as a better system of diffusing the findings to the farmers, who ultimately must use the findings, are essential.

69. Cotton's competitive position continues to decline. This is due in part to quality and price factors. With more research this trend could be slowed down and after a point even stopped. Measures to improve the quality of cotton are being implemented both in cotton production and in the textile industry. To complement these efforts, prices of cotton must be kept at a level which would not encourage further inroads by substitutes. In addition to these measures deliberate trade policies in favour of cotton could be solicited especially in the developed countries.

70. The measures undertaken in favour of cotton have been useful up to a point, but in some cases further action is called for. Within Africa some countries are hard pressed to meet identified problems in respect of cotton production. These include research extension and education, etc. For most of the countries yield is low and acreage could be increased to advantage.

71. Yet, on the continent itself under-utilized research facilities exist and in some cases, even manpower. There is thus a need for a more co-ordinated approach in order to maximize results as well as to fully utilize whatever excess capacity may be available in one country and needed in the other.

72. At international level, price support as a way of making cotton produced in different regions competitive needs to be discouraged; funds need to be made available for research and more emphasis could be directed to solving specific problems in a specific country. Further measures could be considered to improve the access of cotton into world markets through more liberal trade policies. A strengthened International Cotton Textile Agreement would be a means of ensuring that the issues facing the developing countries were dealt with.

Chapter V: PROPOSALS ON CONCERTED ACTION BY PRODUCING COUNTRIES

73. The long-term trend in international cotton prices is basically the result of two causes: intensified competition from artificial and synthetic fibres, and the significant productivity increases in cotton production achieved by major cotton exporting countries. Only a few major producers, including USA, will as in the past, continue to have any significant impact on the yearly variations in cotton prices, but even these lack the capacity to reverse the overall downward price trend.

74. Assuming this evaluation holds for the future, African cotton producing countries are left with two broadly identified feasible options if cotton is to be made to contribute fully to their respective economies. Firstly, ways and means for increasing yield and production of cotton are essential for increasing Africa's competitive position among world producers and as a way of capturing an increasing share of world cotton market. Secondly, it is in Africa's interest to support all undertakings designed to maintain at least cotton's share in total fibre increases in the world market.

75. These overall goals depend in turn on two strategic approaches, namely: the formulation and implementation of measures on national and multinational bases among the cotton producing and some consuming countries. To that end, some suggestions are made below.

A. Concerted action by African cotton producers within Africa

Production

76. In most of the African cotton growing countries, heavy reliance is placed on the peasant farmers, and most of the cotton is grown mainly on small plots of land. Furthermore, for most of the growing areas, except in Egypt and to some degree in Sudan, irrigation is hardly practised. The seasonal factors that influence the rains in turn affect cotton growing directly.

77. Peasant farming and climates among other factors add to the complexities of the duties of the often inadequate staff of extension workers. It is essential to know, and properly advise the farmers on, when to plant, what seeds to plant, what agronomical and proper crop husbandry must be practised, what kind of fertilizer and insecticides should be applied, etc. It is estimated that up to 30 per cent of the loss in cotton yield is due to lack of weeding at proper times, planting at the proper season to make maximum use of moisture distribution, as well as poor harvesting methods.

78. Much scope exists for increasing cotton yields through the proper application of existing knowledge and the diffusion of the latter among the people who need it. Extension workers can gainfully pool information on a multinational basis, through periodic meetings, exchange experiences through outright personal contacts or by other media such as radio/TV programmes. These programmes need not be restricted merely to the technical side but could involve social, psychological issues, such as experiences in getting peasant farmers to accept specific advice from agricultural officers.

Price stabilization

79. With the exception of a few countries, direct measures for the stabilization of producer prices in any one marketing season or from one season to another, through fixing or guaranteeing a minimum price, are applied. The prices are often established at a level which minimizes the gap between producer prices and those obtaining on the world competitive markets. These measures considerably reduce the possibilities of variations in export prices and export returns on the international markets.

80. It is worth noting, however, that the restrictive nature of a price stabilization scheme is such that important considerations are overlooked. It is increasingly clear that farmers are responsive to price changes and other incentives. In some cases, in order to encourage farmers to grow more cotton, a variety of inducements, including a limited measure of stabilization, may be necessary. This course of action is especially justified where as in Chad cotton sales supply the bulk of foreign reserves and no comparable substitute exists nor is likely to be forthcoming in the very near future. Yet without some co-ordination among the neighbouring cotton producing countries, this policy could easily be frustrated due to the smuggling of cotton to the side that pays more.

81. The national agencies which in turn sell the cotton in international markets have from time to time engaged in a variety of long-term arrangements or agreements. These have included some form of market integration between African producers and their former metropolitan colonial powers, or barter arrangements especially with the Sino-Soviet bloc. The desirable elements of stabilization contained in these arrangements should be retained with a view to maximizing mutual benefits.

Research

82. The main objectives of research for the African cotton producing countries are basically two: quality and productivity. Further work on the genetic and agronomical improvement of the cotton crop must take into account, on the one hand the need for an improved cotton fibre to compete with man-made fibres and on the other, the need for a cotton plant more suited to the intensive systems of agriculture now being developed. Exploitation of the genetic pool, combined with the practical application of other branches of knowledge, calls for judicious and careful long-term planning, much of which can best be achieved through multinational concerted efforts. Just as in the case of other qualitative aspects of cotton, such institutions as IIC are busy searching for solutions. Room, however, exists for African producers to carry out research in areas not covered or inadequately covered by international agencies dealing with cotton problems. These areas could include soils, cultural facts, etc.; and research teams could concentrate on a particular research problem on the spot in a given country.

Increased domestic consumption of cotton

83. Owing to the increase in the number of textiles, the corresponding increase in consumption of products therefrom, and a general desire to reduce dependence on imported textile products, African producers should encourage the orderly and planned development of textile industries, which would use cotton produced in Africa. Within the framework of the liberalization of intra-African trade, consideration might be given to the setting-up of preferential trade arrangements among African countries in respect of cotton and cotton products.

B. Concerted action at international level

84. In the world cotton economy there exists a wide spectrum of policy problems which affect the African cotton producing countries directly. Yet, with few exceptions, individual African cotton producing countries hardly have an impact on the international scene. It is thus essential for the African cotton producers to maintain a concerted approach, as an African group, in co-operation with other producers elsewhere.

85. The areas in which their collective voice may be of major significance in terms of benefits accruing to them are:

- (a) Campaigns for the reduction of cotton production in developed countries especially USA and USSR on the grounds that these countries do not crucially depend on cotton for their economic survival and that all their needs of cotton supply could be met through trade with less developed cotton producing countries.
- (b) In countries such as USA, whose agricultural policies involve price support for cotton, steps should be taken to reduce or even eliminate the practice. Such a measure will enable cotton produced elsewhere especially in developing countries to compete in these markets and in the world cotton market to the advantage of all.
- (c) Campaigns for international material support (manpower and finance) for cotton world sales through the research efforts of IIC and other organizations of research within the developing countries. The support could be from bilateral sources or from international agencies such as IBRD, UNDP, etc.
- (d) African producers should impress on the minds of government officials everywhere, especially in developed countries, the need to support and encourage greater use of cotton and cotton products by manufacturers and consumers.

C. Creation of an association of African cotton producing countries

86. Consideration should be given to the setting-up of an Association of African cotton producing countries. Such an Association would provide a framework for in-depth discussions of the particular problems facing African producers as distinct from those facing all cotton producers generally, as well as for co-operative efforts designed to solve these problems. In addition, acting as a group, individual producers in African countries would be able to press for the adoption of appropriate measures at international level from a much stronger position.

Table 1: World cotton: production and distribution, 1961/62 - 1970/71 (1000 bales and percentages)

	1961/62		1962/63		1963/64		1964/65		1965/66		1966/67		1967/68		1968/69		1969/70		1970/71	
	bales	%	bales	%	bales	%	bales	%	bales	%	bales	%	bales	%	bales	%	bales	%	bales	%
Stocks																				
World	19,692	100.0	19,864	100.0	23,329	100.0	25,946	100.0	27,940	100.0	30,743	100.0	27,170	100.0	22,079	100.0	23,004	100.0	21,513	100.0
Africa	1,326	6.7	1,305	6.5	1,456	6.2	1,196	4.6	1,509	5.4	1,718	5.5	1,772	6.5	1,710	7.7	2,180	9.4	2,212	10.2
Asia/Oceania	4,554	23.7	3,872	19.4	4,386	18.5	4,834	18.6	4,867	17.4	4,728	15.3	5,474	20.1	6,200	28.0	5,919	25.7	5,858	27.2
North America*	444	2.3	942	4.7	4,486	20.0	4,662	2.5	633	2.9	636	2.0	841	3.0	933	4.2	862	4.2	761	3.5
USA	7,228	36.8	7,831	39.4	11,216	48.0	12,378	47.7	14,290	51.1	16,862	54.8	12,533	46.1	6,448	29.2	6,321	27.5	5,750	26.7
Eastern Europe	1,866	9.2	1,969	10.0	1,929	8.2	2,370	9.1	2,515	9.0	2,765	8.9	2,885	10.6	2,590	11.7	2,530	10.9	2,330	10.9
South America	1,397	7.2	1,645	8.2	1,484	6.3	1,516	5.8	1,568	5.6	1,857	6.0	1,479	5.4	2,023	9.1	2,455	10.6	2,340	10.8
Western Europe	2,412	12.3	2,330	11.7	2,219	9.5	2,390	9.2	2,058	7.3	1,977	6.4	1,986	7.3	1,975	8.9	2,217	9.6	2,032	9.4
Production																				
World	45,354	100.0	48,218	100.0	50,424	100.0	52,141	100.0	53,388	100.0	48,921	100.0	47,731	100.0	53,627	100.0	51,750	100.0	51,599	100.0
Africa	3,520	81.0	4,307	8.9	4,043	8.0	4,663	8.9	4,919	9.2	5,015	10.2	4,759	9.9	5,504	10.2	6,169	11.9	5,755	11.1
Asia/Oceania	12,352	27.2	13,679	28.3	14,799	29.3	15,590	29.8	15,942	29.8	16,809	34.3	18,355	38.4	18,366	34.3	16,367	31.4	17,871	34.6
North America*	2,702	5.9	3,379	7.0	3,224	6.3	3,731	7.1	3,656	7.2	3,311	6.7	3,057	6.4	3,514	6.5	2,554	4.9	2,182	4.2
USA	14,448	31.8	14,926	30.9	15,340	30.4	15,245	29.2	14,920	27.9	9,860	20.1	7,215	15.1	11,030	20.5	9,250	19.2	10,200	19.7
Eastern Europe	7,135	15.7	6,960	14.4	8,200	16.2	8,405	16.1	9,025	16.9	9,465	19.6	9,465	19.6	9,285	17.3	8,530	17.2	10,700	20.7
South America	4,124	9.0	4,029	8.3	3,901	7.7	3,807	7.3	3,460	7.4	3,460	7.0	4,091	8.5	5,179	9.6	4,519	9.5	4,136	8.0
Western Europe	793	1.7	944	1.9	917	1.8	700	1.3	749	1.4	841	1.7	769	1.6	719	1.3	834	1.6	755	1.4
Consumption																				
World	45,964	100.0	45,147	100.0	47,654	100.0	50,122	100.0	50,842	100.0	52,276	100.0	52,774	100.0	52,908	100.0	53,476	100.0		
Africa	984	2.1	1,030	2.2	1,082	2.2	1,245	2.4	1,400	2.7	1,542	2.9	1,520	3.0	1,736	3.2	1,835	3.4		
Asia/Oceania	16,510	35.7	16,370	36.2	16,094	33.8	19,421	38.7	19,158	37.6	20,247	38.7	21,352	43.0	21,891	41.3	22,490	42.0		
North America*	1,041	2.2	1,053	2.3	1,154	2.4	1,219	2.4	1,269	2.4	1,289	2.4	1,322	2.5	1,284	2.4	1,269	2.3		
USA	8,954	19.4	8,419	18.6	8,609	18.0	9,171	18.2	9,497	18.6	9,485	18.1	8,962	17.0	8,242	15.5	7,991	14.9		
Eastern Europe	8,637	18.7	8,682	19.2	9,015	18.9	9,430	18.8	9,760	19.1	10,152	19.4	10,422	19.7	10,505	19.8	10,592	19.8		
South America	2,344	5.0	2,235	4.9	2,335	4.8	2,420	4.8	2,430	4.7	2,432	4.6	2,287	4.5	2,507	4.7	2,538	4.7		
Western Europe	7,514	16.3	7,350	16.2	7,405	15.5	7,216	14.3	7,328	14.4	7,119	13.4	6,591	12.6	5,743	12.7	6,761	12.5		
Exports																				
World	15,432	100.0	15,855	100.0	17,944	100.0	16,829	100.0	16,868	100.0	17,901	100.0	17,098	100.0	16,508	100.0	17,306	100.0		
Africa	2,837	18.3	3,277	20.6	3,356	18.1	3,325	19.1	3,541	20.9	3,673	20.5	3,414	19.9	3,503	21.2	4,532	26.1		
Asia/Oceania	1,952	12.6	2,582	16.2	2,604	14.5	2,727	16.2	2,904	17.2	2,833	15.8	3,111	18.1	2,833	17.1	2,966	17.1		
North America*	2,074	13.4	2,609	16.4	2,424	13.5	2,797	16.6	3,324	19.7	2,289	12.7	2,098	12.2	2,606	15.7	1,943	11.2		
USA	4,913	31.7	3,381	21.1	5,662	31.5	4,060	24.1	2,932	17.4	4,669	26.0	4,206	24.5	2,731	16.5	2,769	15.9		
Eastern Europe	1,808	10.4	1,565	9.4	1,805	10.0	2,105	12.5	2,355	13.9	2,533	14.1	2,553	14.9	2,731	16.5	2,769	15.9		
South America	1,157	7.5	1,211	7.6	1,270	7.1	1,350	7.9	1,396	8.3	1,651	9.2	1,335	7.8	2,429	14.7	2,598	15.0		
Western Europe	311	2.0	310	1.9	323	1.8	1,185	7.0	706	4.2	253	1.4	356	2.0	186	1.1	257	1.5		
Imports																				
World	15,920	100.0	16,487	100.0	17,703	100.0	17,522	100.0	17,498	100.0	18,144	100.0	17,738	100.0	17,152	100.0	17,782	100.0		
Africa	179	1.1	173	1.0	164	0.9	232	1.3	259	1.5	277	1.5	258	1.4	265	1.5	230	1.2		
Asia/Oceania	5,107	32.0	5,774	35.0	6,404	36.1	6,634	37.8	6,018	34.3	7,074	38.9	6,945	39.1	6,292	36.6	7,121	40.0		
North America*	483	3.0	390	2.3	547	3.0	503	2.8	548	3.1	503	2.7	481	2.7	461	2.7	461	2.5		
USA	156	0.9	137	0.8	97	0.5	74	0.4	98	0.5	63	0.3	145	0.8	66	0.3	49	0.2		
Eastern Europe	3,036	19.0	3,169	19.2	3,082	17.4	3,309	18.8	3,409	19.4	3,197	17.6	3,242	18.2	3,286	19.1	3,599	20.2		
South America	210	1.3	174	1.0	252	1.4	310	1.7	352	2.0	260	1.4	204	1.1	275	1.6	286	1.6		
Western Europe	6,745	42.3	6,670	40.4	7,157	40.4	6,456	36.8	6,814	38.9	6,770	37.3	6,463	36.4	6,504	37.9	6,106	34.3		

Source: Cotton World Statistics; Vol. 24, No. 9 (part II), Vol. 21, No. 12 (part II).

* North America excluding USA.

Table 2: World cotton production of long staples (1 3/8 inches and over)

Country	(1000 bales)											
	1961-1962	1962-1963	1963-1964	1964-1965	1965-1966	1966-1967	1967-1968	1968-1969	1969-1970			
	bales %	bales %	bales %	bales %	bales %	bales %	bales %	bales %	bales %			
Sudan	930 47.7	655 30.3	405 21.9	615 27.9	670 31.3	760 36.9	735 39.7	860 42.1	795 38.9			
Egypt	638 32.7	1060 49.0	950 51.4	1064 48.2	1041 48.7	844 41.0	768 41.5	772 37.9	911 44.5			
Peru	148 7.6	183 8.5	196 10.6	219 9.9	176 8.2	217 10.5	141 7.6	160 7.8	125 6.1			
USSR	90 4.6	70 3.2	65 3.5	110 5.0	95 4.4	100 4.9	100 5.4	105 5.1	90 4.4			
USA	61 3.1	110 5.1	161 8.7	117 5.3	86 4.0	71 3.4	69 3.7	78 3.8	77 3.8			
Morocco	14 0.7	21 1.0	25 1.4	37 1.7	40 1.9	32 1.6	24 1.3	30 1.5	25 1.2			
Southern Yemen	24 1.2	33 1.5	25 1.4	31 1.4	16 0.7	20 1.0	8 0.4	30 1.5	20 1.0			
Others ^{1/}	7 0.4	5 0.2	5 0.3	3 0.1	4 0.2	5 0.2	4 0.2	3 0.1	3 0.1			
World ^{2/}	1949 100.0	2162 100.0	1847 100.0	2208 100.0	2139 100.0	2061 100.0	1852 100.0	2039 100.0	2046 100.0			

Source: Cotton-world statistics; Vol. 24, No. 9 (part II).

Note: Years above begin 1 August.

1/ British West Indies, Somalia, Israel.

2/ Revised Series.

Table 3: World cotton production of long staples (1 1/8 - 1 3/8 inches)

Country	(1000 bales)											
	1961-1962	1962-1963	1963-1964	1964-1965	1965-1966	1966-1967	1967-1968	1968-1969	1969-1970			
	bales %	bales %	bales %	bales %	bales %	bales %	bales %	bales %	bales %	bales %	bales %	bales %
Egypt	910 24.3	1049 29.1	1083 23.1	1261 32.4	1357 33.3	1243 29.8	1246 19.5	1241 19.8	1586 28.9			
USSR ^{1/}	1095 29.3	810 22.5	1035 22.1	925 23.8	1245 30.6	1600 38.4	1780 37.9	1985 31.7	2080 37.9			
USA ^{2/}	506 13.5	423 11.7	353 7.5	435 11.2	435 10.7	404 9.7	748 15.9	1819 29.0	693 12.6			
Peru ^{3/}	510 13.6	480 13.3	400 9.6	400 10.3	360 8.8	250 6.0	250 5.3	355 5.7	270 4.9			
Uganda	117 3.1	195 5.4	185 3.9	200 5.1	180 4.4	150 3.6	88 1.9	133 2.1	150 2.7			
Brazil	250 4.0	450 4.2	165 3.5	120 3.1	115 2.8	125 3.0	130 2.8	130 2.1	120 2.2			
Mexico	85 2.3	115 3.2	105 2.2	112 2.9	131 3.2	115 2.8	105 2.2	120 1.9	85 1.6			
Others	370 9.9	380 10.6	390 8.3	435 11.2	250 6.2	280 6.7	350 7.5	480 7.7	500 9.2			
World ^{4/}	3743 100.0	3602 100.0	4686 100.0	3888 100.0	4073 100.0	4167 100.0	4697 100.0	6263 100.0	5484 100.0			

Source: Cotton-world statistics; Vol. 24, No. 9 (part II).

Note: Years above begin 1 August.

- 1/ Revised series.
- 2/ Upland only.
- 3/ Based on ginning within season.
- 4/ Excluding Mainland China.

Table 4: Prices: c.i.f. quotations at Liverpool

(Average prices in US cents per lb)		
Country and cotton classification	1968-69	1969-70
Egypt: Giza 67 FG	49.32	49.31
Menoufi FG	62.53	63.18
Sudan: G5L/G5B	37.74	38.66
G5S/G5 VS	44.28	44.04
Peru: Tanquis type 3	32.57	33.05
Pima No. 1, 1-9/16"	48.06	48.02
India: (Bengal Desi choice)	26.57	27.40
USSR: S.M.; 1 - 1 1/16	30.41	30.74
Uganda AR. Satu	31.46	29.86*
Mexico S.M. 1 - 3/32"	28.89	29.34
USA: Orleans Texas M. 1"	26.62	26.32
Memphis Territory SM. 1 - 1/16"	30.35	29.17
California S.M. 1 - 3/32"	33.94	31.33
Brazil Sao Paolo Type 5, 1 - 3/16"	24.74*	24.65*
Pakistan: 289 F punjalo	26.08	27.84
N.T. Sind	25.62*	27.81
Nicaragua S.M. 1 - 1/16"	27.36*	27.31

Source: Cotton-world statistics, Vol. 24 No. 9 (part II).

* Average for less than 12 months.

Table 5: Acreage/Yield: by major regions and main African producers (in 1000 acres and yield in pounds/acre)

	1961-1962		1962-1963		1963-1964		1964-1965		1965-1966		1966-1967		1967-1968		1968-1969		1969-1970		1970-1971	
	Acreage	% of world*	A	% of world*	A	% of world*	A	% of world*	A	% of world*	A	% of world*	A	% of world*	A	% of world*	A	% of world*	A	% of world*
World	80176	100.0	273	80745	100.0	286	81008	100.0	297	82105	100.0	303	81524	100.0	312	76917	100.0	299	79536	100.0
Asia/Oceania	37055	46.2	169	37502	46.4	182	38803	47.9	182	39947	48.7	190	40038	49.7	190	40038	49.8	210	40564	50.6
North America	18232	22.7	445	18345	22.7	473	17098	21.1	519	16973	20.7	533	16560	20.3	544	12051	15.7	511	10469	13.0
USA	15334	19.1	438	15369	19.1	457	14212	17.5	517	14057	17.1	517	13615	16.7	527	9582	12.4	480	7997	10.0
Eastern Europe	1670	2.1	584	6110	7.6	543	6314	7.8	632	6252	7.6	632	6202	7.6	697	6274	8.2	729	6214	7.8
South America	2232	2.8	234	2265	2.8	222	2337	2.9	223	2314	2.9	218	2377	2.9	242	6986	9.1	233	7440	9.2
Western Europe	1377	1.7	338	1449	1.8	311	1285	1.6	341	895	1.1	374	878	1.1	408	973	1.3	413	753	0.9
Africa	9292	11.6	105	9065	11.3	223	9151	11.3	211	9724	11.8	229	10270	12.6	229	10595	13.6	225	10341	13.5
Angola	100	0.1	96	136	0.2	132	89	0.1	135	72	0.1	128	100	0.1	168	94	0.1	178	102	0.1
Cameroon	550	0.7	50	400	0.5	44	310	0.4	69	285	0.4	75	870	1.1	208	225	0.3	191	242	0.3
Ghana	557	0.7	55	750	0.9	118	718	0.9	115	710	0.9	114	750	0.9	99	740	0.9	132	735	0.9
Zaire																				
Ethiopia																				
Sierra Leone																				
West Africa																				
Kenya	137	0.2	27	150	0.2	48	117	0.1	59	164	0.2	55	177	0.2	54	176	0.2	54	175	0.2
Malawi																				
Mozambique																				
Namibia																				
Niger																				
Nigeria																				
Rwanda																				
Tanzania																				
Togo																				
Uganda																				
Zambia																				

Source: Cotton World Statistics.

* For the African countries, the acreage percentage is based on total African acreage.
1/ North America inclusive of USA.

Table 6: The ratio of cotton exports to total exports of African producers

(Million US\$)

Country	1961			1965			1968			1969			1970		
	Total exports	Cotton	%	Total exports	Cotton	%	Total exports	Cotton	%	Total exports	Cotton	%	Total exports	Cotton	%
Africa	5,222	639	12.2	7,640	603	7.9	9,710	607	7.7	11,320	640	5.6	12,620	...	...
Algeria	675	-	-	637	-	-	830	1	0.1	934	...	...	...	...	...
Angola	135	2	1.5	200	3	1.5	271	7	2.6	327	11	3.4	423	15	3.5
Burundi	...	-	-	9	1	11.1	14	1	7.1	12	1	8.3	24	2	8.3
Cameroon	98	9	9.2	139	9	6.5	197	8	4.1	226	11	4.9	226	18	8.0
Chad	21	17	81.0	27	21	77.8	28	23	82.1	32	25	78.1	33	20	60.6
CAR	14	6	42.9	26	5	19.2	36	8	22.2	36	10	27.8	31	7	22.6
Zaire	...	9	...	336	-	-	504	-	-	644	3	0.5	...	...	...
Dahomey	14	1	7.1	14	1	7.1	22	3	13.6	27	3	11.1	...	...	...
Ivory Coast	177	-	-	277	1	0.4	425	6	1.4	453	6	1.3	469	6	1.2
Kenya	116	2	1.7	145	2	1.4	175	1	0.6	191	2	1.0	217	3	1.4
Madagascar	78	1	1.3	92	-	-	116	-	-	112	-	-	145	...	...
Mali	14	1	7.1	16	3	18.8	11	4	36.4	17	2	11.8	...	4	...
Malawi	26	-	-	35	3	8.6	48	2	4.2	53	2	3.8	59	3	5.1
Morocco	342	2	0.6	430	6	1.4	453	5	1.1	485	6	1.2	488	6	1.2
Mozambique	95	24	25.3	108	19	17.6	154	26	16.9	142	28	19.7	156	...	...
Niger	15	-	-	25	1	4.0	29	2	6.9	24	1	4.2	...	...	...
Nigeria	486	31	6.4	751	18	2.4	591	9	1.5	905	9	1.0	1,240	18	1.5
Rhodesia	...	1	...	442	1	0.2	257	...	...	318	...	...	367	...	...
Sudan	178	89	50.0	195	90	46.2	233	139	59.7	248	142	57.3	298	183	61.4
Tanzania	150	19	12.7	187	34	18.2	227	40	17.6	236	33	14.0	238	35	14.7
Togo	19	1	5.3	27	1	3.7	39	1	2.6	45	1	2.2	52	1	1.9
Uganda	116	47	40.5	179	47	26.3	186	41	22.0	198	35	17.7	246	49	19.9
Egypt	485	300	61.9	604	336	55.6	622	276	44.4	745	301	40.4	762	...	...
Upper Volta	3	-	-	14	1	7.1	21	4	19.0	19	6	31.6	18	...	...

Sources: FAO, Trade Yearbook, 1969;
 UN, Monthly Bulletin of Statistics, September 1971;
 ECA, Research and Statistics Division.

PART II. BANANA

Chapter I. AFRICA IN THE WORLD BANANA ECONOMY: THE SETTING

A. Types of bananas:

87. Edible bananas are of two kinds: cooking bananas otherwise commonly known as plantains, and fruit bananas. While plantain is a major diet for widely scattered population pockets especially in West and Central Africa, the Far East, the sub-continent of India, Bangladesh, Brazil, Venezuela, etc., it constitutes a generally minor share of the total international banana trade. Thus for the purposes of this paper, it is the fruit banana that is of main concern.

88. Both groups of banana are grown almost throughout the tropics and other parts of the world possessing similar environmental requirements. Thus, Australia, Egypt, Morocco, Israel and Jordan all produce small quantities. A significant proportion of bananas is grown for home consumption while banana for exports is almost grown exclusively in the tropical belts.

89. The fruit banana falls into two main categories: the Gros Michel or Jamaica banana and the Cavendish banana. A wide spectrum exists between these two categories suggestive of results of cross-breeding developments. These variants include the poyo banana, which like many other varieties on the market today, was developed and promoted in response to specific objectives. These objectives, among others, included the need to develop a variety which could withstand the rigours of handling, packaging and transportation over long distances for long periods, unfavourable weather conditions, and in addition be disease free.

B. Banana end-uses:

90. Already, mention has been made of one variety of banana: plantain or cooking banana, a starch food, used by populations in the tropics. The fruit banana is mostly consumed as a ripe banana without any further transformation through cooking etc. This constitutes the bulk of end-uses for the banana entering international trade.

91. There exists, however, a wide variety of banana products, which, do enter world trade though in relatively small quantities. These include dried figs', canned or quick frozen purée, banana powder, flour, flakes, chips, canned banana slices and jam. Of those listed above, figs, purée and canned slices, are of significance in international trade.

C. Evolution of the banana trade

World

92. The banana trade has thrived for nearly a century and its achievements owe much to developments in cooling and shipping technology and a highly organized distribution network. Over the years, small independent producers have been forced to give way to large producers and their subsidiaries or co-operatives. Thus the banana trade, especially in South and Central American Republics, is today characteristically a vertically integrated industry predominantly controlled by a few large fruit companies.

93. In Africa, this pattern never took a foothold. In part, this can be attributed to the fact that former colonial powers did not develop similar strategies within their respective colonies. In later years, it became near impossible for African producers to amass sufficient investment capital, and expertise, not only to produce bananas, but to compete favourably with the early starters elsewhere in the major consumer markets of North America, Western Europe and Japan.

94. Table 1 shows the production and yield in selected banana producing and exporting countries. It will be observed that, on the whole, Africa produced an average of 1,293 thousand metric tons yearly between 1961 and 1969. This contrasts with the production volumes of major producers such as Brazil, India, Ecuador, Honduras, Mexico and Costa Rica which accounted for 6,023, 3,100, 2,700, 1,350, 1,025, 967 thousand metric tons respectively in 1969. Out of a world total of 26,153 thousand metric tons produced in 1969, the major African producers, Somalia, Madagascar, Ivory Coast, Central African Republic, Cameroon, and Egypt contributed 190, 180, 172, 170, 120 and 91 thousand metric tons respectively.

95. In terms of yield, the world average for the period between 1961 to 1969 was 14,200 kg per hectare. In 1970 four African countries, namely, Somalia, Réunion, Mauritius, Ethiopia exceeded the world average and their respective yields were 27,100, 24,000, 24,400 and 22,700 kg per hectare. For the rest of the African producers, their yields have been characteristically low especially when compared with major producers such as Costa Rica, the Dominican Republic and Honduras whose yields ranged from 19,900 to 46,100 kg per hectare in 1969.

96. Major banana exporters have not maintained their lead all through the years. Two main factors have contributed to this development over the period, namely soil exhaustion and the outbreak of banana diseases in the Caribbean. In Africa, the disease spread in some West African countries such as Cameroon. The uncontrolled spread of banana diseases led to considerable loss in such countries as Mexico and Cuba. By the end of the Second War, the former major producing countries had slipped into lower positions, thus giving way to the rise of the present day major exporters which include Ecuador, Honduras, Costa Rica, Panama and Colombia.

97. In addition to the harm caused by banana diseases, a number of countries have experienced a variety of natural disasters such as high winds. All these factors have however been of little significance in explaining the slow development of Africa's banana industry when compared with that of the Latin American countries.

98. In Table 2, a selected number of banana exporting countries is presented showing both the volume and value earned from banana exports during the 1962 to 1969 period. On the basis of this table, yearly average world banana exports for the years 1962-69 amounted to 4,764,329 metric tons and earned US\$426,840.

99. Table 3 shows the banana imports in the OECD countries where the bulk of banana exports are absorbed, and the selected exporting regions or countries in 1968. Total banana imports in the OECD countries in 1968 were valued at 346,569 thousand dollars. This value is c.i.f., thus inclusive of handling, insurance, freight costs, etc. Exports from Central America, Latin America as a whole and Africa to OECD countries constituted 30-54 and 15 per cent respectively of the total. The remainder came from Asia, mostly from Taiwan.

100. Exports have tended to expand steadily over the years with minor interruptions during the war years and during specific seasons. The rise in consumption has been steady in North America and Western Europe. From Table 4, it will be observed that USA has consistently remained the major consumer. Banana per capita consumption has also been highest in North America and Western Europe countries. In 1968, West Germany, Sweden, Canada, France, USA, Austria and Belgium/Luxembourg consumed over 8 kg per head.

101. At the other extreme have been the centrally planned economy countries. USSR consumes less than one-fifth of a kg per head a year and this pattern is followed by Poland, Bulgaria and Czechoslovakia. This is also true of the other relatively wealthy countries of the world including the oil-rich Middle Eastern and North African countries plus much of Southern Europe. Thus, yearly per capita banana imports are perhaps not likely to increase very fast in North America and Western Europe, but the scope is wide in centrally planned and oil rich countries in the Middle East and North Africa.

Africa

102. For the period 1962-69, Africa's yearly average exports did not exceed 412,584 metric tons, which earned 37,377 thousand US dollars. Thus, Africa's contribution averaged 8.4 per cent of world total in weight and 8.3 per cent in value for the same period.

103. Noticeable in the case of Africa's banana exports over the period, is the apparent relative price advantage when compared with world total earnings. The main beneficiaries have included Somalia, Ivory Coast, Cameroon and Madagascar whose volumes of exports in 1969 were 91,490, 147,330, 46,510, 10,730 metric tons respectively.

104. In part, the growth in banana exports from the EEC Associate States and to a lesser degree the British Commonwealth members has been due to the preferential treatment they have enjoyed in the markets of their former colonial powers. This preferential treatment has expressed itself in terms of duty differentials, and links due to long association in business have also proved beneficial. This fact is borne out further when the destinations of Africa's banana exports are studied.

105. As a result of the Kennedy Round, the duty on banana imports into the EEC markets dropped from 20 to 16 per cent effective from 1 January 1972. African countries associated to the EEC continue to be exempted from the duty although the preferential margin continues to narrow. Furthermore, with increased membership of both Associated States and members of EEC, including Britain, the protected markets of French-speaking African countries and Somalia are likely to be shared by many more African and West Indian countries.

106. The corresponding changes in duties for Britain are from 10 to an unspecified percentage, Japan 14 to 5 per cent, Norway 20.6 to 14.7 per cent. For Austria a drop of nearly 50 per cent is proposed. African Commonwealth members, like African countries associated with EEC are exempt of duties in their respective markets. When African banana exports to OECD countries in 1969 are considered together, the duty imposed on them constituted roughly 0.8 per cent of total value.

107. The bulk of Africa's banana exports went to OECD countries and mostly to France and Italy. Africa's banana exports to France constituted about 37 per cent of her total imports of banana. In the French market, Ivory Coast, Cameroon, and Malagasy Republic were the major exporters from Africa while in Italy, Somalia dominated.

D. Structure of banana markets

108. On the whole, the banana business is characterized by its riskiness due mainly to banana's perishable nature and its high susceptibility to disease. Over the years, in which banana exportation has been developing, many small export companies have had to abandon the business. In some cases, the larger companies absorbed the weaker ones, thus leading to the creation of giant operators such as the United Fruit Company and her subsidiaries, operating in many Central and South American Republics.

109. Today, the large companies dominate the world banana market because of their large resources, capacity to organize, market and transport facilities. The large companies have banana plantations and can afford the massive capital imports required for efficient growing, harvesting, packaging and transport to docks. In addition, the large companies have a number of ships or contractual arrangements for advanced earmarked shipping space suitable for banana. Often, the companies have powerful marketing organizations and network channels, sometimes even up to the wholesaler level or beyond. In many instances the contractual arrangement also involves long-term commitments on the part of the buyers in consuming countries.

110. In the cases of some former colonial powers special links such as price agreements and commitments to buy a specified volume exist between them and their former colonies. Thus, Italy provides a safe market for Somalia's bananas and, to some degree, France for some of her former colonies such as the Ivory Coast, Cameroon, etc.

111. Complementing the tendency towards a high degree of vertical integration in the banana market structure are the achievements in the research field. These have included development of new types of banana which possess qualities such as disease resistance and the ability to withstand unfavourable weather conditions, and in addition meet the requirements of shipping and packing. Thus today's banana, especially in the Americas, has acquired more desirable characteristics, a fact that has immensely aided in the marketing of bananas.

E. Importance of the banana in the African economies

112. In spite of low yields characterizing much of the banana production in African countries, this commodity, as has already shown, constitutes a major part of food diets in many African countries. Banana production is thus of significance in two respects, namely, as a foreign exchange earner for a number of African countries and as a food item sold on domestic and intra-African markets.

113. Banana production, especially for export, still plays a small role compared with the major export commodities of Africa. It is however worth remembering that Africa's trade is characterized by a narrow range of commodities. Demand fluctuations in a few of these commodities therefore inevitably disrupt the respective economies immensely. Banana export may accordingly be significant in the process of agricultural export commodity diversification.

114. The expansion of banana exports has led to further commercialization of idle land and has brought some population sectors into gainful employment as in Somalia. In some cases banana production has replaced those cash crops for which demand was declining.

115. Table 5 compares the value of banana exports to total exports of selected banana exporting African producers and major exporting countries elsewhere. For Somalia, Cape Verde, Guinea, Ivory Coast and Malagasy Republic, banana exports constituted 34.3, 28.5, 5.5, 3.0 and 0.5 per cent respectively of the total value of national exports. These percentage ratios contrast very markedly with those obtaining for Martinique, Panama, Ecuador, Honduras, Guadeloupe and Costa Rica where the value of banana exports constituted 61.7, 53.0, 45.1, 43.5, 31.9 and 27.1 per cent respectively in the same year. Thus, not only the relative contribution of Africa's banana exports to total world export is small, but, except for Cape Verde, and Somalia, banana's contribution to overall exports of any African producer is also relatively modest.

Chapter II: FUTURE DEVELOPMENT

A. Demand projections

116. According to FAO agricultural commodity projections, 1970-1980, based on 1964-66 yearly average, total world banana demand should rise from approximately 5,775 thousand tons in 1970 to 7,807 thousand tons by 1980. This represents an increase in demand of over 35 per cent.

117. For most of North America and Western Europe, demand has been and is likely to continue to be high although the rate of increase is low. Past experience however indicates that banana consumption, which in some countries was thought to have reached a saturation point, could be increased further, as a result of technological innovations affecting the year-round availability and presentation of the fruit. However, per caput imports have not increased above 10 kilogrammes in any importing country. As a result these countries which together accounted for 91 per cent of total world imports in 1964-66 should contract their total share of world imports to 89.5 and 88.7 per cent for 1970 and 1980 respectively with the increase in demand elsewhere.

118. As regards USSR and the rest of Eastern Europe, it is to be noted that more attention is increasingly being given to providing foreign exchange for banana imports. Nevertheless, a higher level of imports may often of necessity be closely linked to the provision of reciprocal export opportunities in the banana producing countries for centrally planned economies. According to FAO estimates, these countries are likely to import between 600,000-700,000 tons by 1980, which would represent roughly an increase of over 400 per cent. In spite of this apparent fast growth, per caput consumption by 1980 would still be less than 2 kilogrammes or just about one-fifth of the comparable intake in North America and Western Europe.

119. Projections for the rest of the world are difficult to make and even much more so in the African countries where much of the banana consumed is not recorded. It is however presumed that the intake will increase as a result of urbanization, rise in incomes and facilities for better distribution and marketing.

B. Supply projections

120. Between 1964-66 and 1969, world banana exports rose at a compound rate of 4.3 per cent yearly, which, if maintained until 1980, would result in world exports of around 8.7 million tons by that year. However, on the basis of what is known about the planting intentions of exporting countries, production for exports is likely to grow at a much higher rate, at least by 1975, and could reach 9.3 millions by that date. The bulk of this would be in Central America, Ecuador, Colombia and in the Philippines. At that growth rate, exportables might reach 13.7 million tons. It is however unlikely that producers could go on producing beyond a reasonable supply/demand balance, although the possibility that they would do so cannot be altogether excluded.

121. In view of the highly integrated distribution marketing and production network adjustments would most probably take place on the supply side in the event over-production materialized. It is however probable that Central America and South America would weather the storm. At the same time it should be noted that commercial banana production, particularly in the Philippines, has been growing fast and these producers are squeezing major producers in the Japanese market.

122. As far as the sheltered producers in Africa and the Caribbean are concerned, it is apparent that, without assistance, exports to European markets would fall severely.

C. Problems of African banana exporting countries

123. Africa's trade in banana is inadequate due to decisive limitations in production, transportation, marketing distribution and promotion organization. Generally, the production costs of banana in African exporting countries are much higher than comparable costs in major banana producing countries of the America's. This, coupled with extremely low yields except perhaps in Somalia, Ethiopia, and to some degree Ivory Coast, Reunion, Mauritius and Egypt, makes competitive production costs that much harder to achieve.

124. Transportation of banana in Africa has not reached such a degree of sophistication as is observable in Central and South America. This can be explained partly in terms of general underdevelopment in infrastructure characterizing most of the African producing countries and partly in terms of the neglect that has been shown in developing the banana industry. Thus not only is transport equipment in short supply but the supporting services and equipment for safe transportation, storage and cooling are inadequate.

125. African shipping lines are few and their combined shipping capacity is minimal. Therefore, African producers have to depend on foreign shipping to transport their imports and exports, especially in the case of commodities that require such exacting specifications as banana. They almost have no say in the international shipping industry which sets freight rates schedules and is thus in a position to impose conditions upon the African exporters.

126. In the discussion on the structure of banana markets, a number of factors characterizing the industry, including the size of companies with adequate capital for efficient and optimal operation, were dealt with. It was pointed out that the industry has a high rate of vertical integration, thus enabling the growing, transportation and marketing operations to be linked in a closely interconnected chain. Marketing and distribution are often planned on a long-term basis, thus helping in programming and concluding transport contracts. African producers lack most of these elements to some degree (apart from Somalia), which has had long-term banana sales contracts with Italy and some French-speaking African countries.

127. From Table 4, it will be observed that the major importers and thus consumers of banana are the countries of North America and Western Europe. Thus banana consumption rates are already high in Africa's traditional partners' markets. While the ceiling has not been reached, it is reasonable to assume that although the amount which can be absorbed in these markets will increase, the rate of increase will continue to fall.

128. Furthermore, most of the fruit companies involved in the banana industry have their origin in North America and Western Europe. Naturally, African producers other than subsidiaries or affiliates of these foreign companies are faced by stiff competition due to the near monopoly position enjoyed by the large companies, which in addition have massive capital, experience, control or access to transport, marketing and distribution channels.

129. Within Africa itself not much effort has been made to evolve a joint approach to the banana industry among producing and exporting countries. Thus possibilities for expanding domestic and intra-African banana markets as well as reducing sales and production costs have not as a rule been given special attention, and the advantages they offer are still ignored.

Chapter III. MEASURES TAKEN TO ASSIST THE BANANA INDUSTRY

A. The African region

130. The few countries which produce and export banana have now undertaken research, and are studying the problems of production and marketing. Somalia, Ivory Coast and Madagascar are among those which have invested and gained from these measures. Research is geared to producing high-yielding strains which are better suited to the respective environments. In addition research is also being carried out into disease-controlling chemicals.

131. Plantations have dominated banana output for exports in most major banana producing countries. In almost all these countries co-operatives are being encouraged so as to bring more of the small producers into the industry. These co-operatives, in some cases in joint marketing boards are responsible for streamlining the stages through which banana must go before exportation.

132. African banana is almost exclusively exported to Europe, especially to EEC countries and United Kingdom. In these markets African banana enjoys some form of preferential arrangement, as for example, Somalia bananas in the Italian market where long-term contracts are in effect.

B. International action on banana

133. A number of international organizations are directly or indirectly engaged in the examination of problems faced by the banana industry and in the search of solutions to these problems. These include FAO through its Committee on Commodity Problems, the Study Group on Bananas and the Committee on Statistics of the Study Group and to a lesser extent UNCTAD, through its Committee on Commodities, GATT, etc. These organizations have particularly examined the economic aspect of production, distribution and trade.

134. The fourth session of the Study Group on Bananas to the Committee on Commodity Problems and the forty-sixth session of the Committee on Commodity Problems identified the specific current problems and suggested action measures to be tried. These fall in the following broad categories:

- Importing countries could absorb more banana through the gradual abolition of customs duties and other restrictions affecting the banana trade including import quotas.
- Importing countries should encourage consumption of banana in view of its nutritive value and consumer needs inter alia, by phasing out internal taxes.
- Centrally planned economies should raise their consumption levels through increased import allocation to banana as well as through the relaxation of their trade reciprocity approach.
- In view of imbalances in world supply/demand conditions which may become serious and greatly depress prices, full liberalization of the banana trade must be accompanied by stabilization measures.

135. In view of the problems faced by the banana exporting countries, it was also decided by the study group to establish a standing committee of exporting countries open to all exporting member countries of the study group with two broad terms of reference; namely:

- (a) To consider how best to cope with situations of serious supply/demand imbalances and low world prices;
- (b) To develop recommendations on concerted action to be taken.

136. It is to be noted that FAO's Committee on Commodity Problems approved the establishment of a standing committee of exporters in their forty-sixth session in October 1971 in Rome.

Chapter IV. CONCLUSIONS

A. An assessment

137. There is no indication that efforts in research, production and marketing in Africa are co-ordinated. This in part offers some explanation for the under-achievement characteristic of the banana industry in spite of the preferential treatment in markets of Western Europe, for large areas suitable for banana production still remain to be brought under cultivation.

138. On the international level, action in respect of banana has left some aspects of interest to African producers and exporters of banana unexplored or insufficiently dealt with. These include the technical and economic aspects of production, distribution and trade in banana. Thus measures that could be suggested for the African countries engaged in the production and export of banana must of necessity fall into two broad categories, namely: measures to be undertaken mainly by African producers individually or as a group, and measures to be undertaken within a broader context in co-operation with producers and consumers elsewhere.

139. Earlier discussions have demonstrated that the centrally-planned economies, much of Southern Europe and the oil-rich countries of the Middle East and North Africa have a very low consumption rate of banana. Furthermore, both the developing countries as well as the major consuming countries of Western Europe and North America can increase their consumption at least at modest rates. Thus, while the banana trade faces serious constraints in respect of the present relationship between supply and demand, there exists scope for expanding the banana markets and volume of exports, for bringing about a more equitable sharing of banana exports among producers and more especially, for co-operative action among African producers so as to solve a number of technical and economic problems facing them. Some suggestions are made below in this respect.

B. Concerted action among African banana producing countries

140. In view of the weak position of African banana exporting countries in the world market, consideration should be given to the creation of an African Association of Banana Producers and Exporters. Such an association would assist the African banana producers to harmonize their strategies on the world market with a view to increasing their share of banana export volumes and markets and improving the production, transportation and marketing of their common products through an exchange of experiences and joint action.

141. For a large number of African countries, production of banana for export is unadvisable. There is however a limited number of countries who are either already engaged in, or have high potential for developing, the banana export industry. The Governments of these countries should examine ways and means of encouraging high- or higher-production levels, including partial initial subsidization for the financing of some inputs such as fertilizer, implements, etc. In addition, services that could aid in the organization of the banana industry, should be established. These could include the creation of marketing boards, specialized extension services, road links, and the organization and running of co-operatives.

142. African producers should consider better ways and means of encouraging foreign investment both at the production and marketing level. Local producers or government corporations could examine the advisability of undertaking joint ventures with subsidiaries of foreign fruit producers under specific conditions to be examined. Furthermore, African countries could negotiate with centrally-planned economies with a view to the setting-up of joint banana ventures from production to marketing in the low banana consuming countries. The main advantages to be gained from these joint ventures would be the increase in size and level of operation as well as access to steady markets.

143. There is also scope for the expansion, not only of domestic banana trade, but also of intra-African trade in bananas. The countries involved should negotiate with a view to specific trade agreements, which should include transport arrangements. This could involve the sharing of markets to avoid transportation cost duplication.

144. The research field has been neglected in the banana industry in many African banana producing countries. In part, the small volume of banana produced in some of these countries never warranted the funds necessary to undertake the desired research. Room exists therefore for the joint financing of some aspects of research such as breeding and disease control to be conducted on a multinational basis in specific sub-regional centres. Advantage could be taken of already established agricultural research centres such as those at Ibadan (in Nigeria), Ivory Coast, and Kenya for the East African Community.

C. Concerted action at international level

145. With the entry of new members into the European Economic Community and the gradual reduction in tariffs and quantitative restrictions, the wall that protects most of the high-cost African exporters in this market is likely to crumble. They will be brought in direct competition with the relatively low-cost West Indian producers. There will probably be a need for African producers to secure some kind of market sharing arrangements in the form of guaranteed quotas.

146. African producers should support the activities of the Study Group on banana and join the Standing Committee of Exporters proposed in the FAO Committee on Commodity Problems. Within these international organizations dealing with banana, the African banana producers through their association should, as far as possible, maintain a unified stand on matters of interest to them.

Chapter V. SUMMARY AND RECOMMENDATIONS

147. The combined total banana exports from African countries constitute a relatively small ratio of overall banana entering international trade. The ratio is between 5-8 per cent of world total volume and by value the percentage is equally small. African producers are generally high-cost producers due to lack of technical knowledge, low yields, lack of capital, organization and guaranteed transportation and marketing channels, etc.

148. There exists, however, a potential for improvement on all these fronts. With better extension services, application of fertilizer, etc., production could increase substantially. African countries need a diversified export composition and banana could make some contribution toward this end in a number of countries. For the potential to be explored, a number of measures are needed. A co-operative approach in a number of spheres is called for, especially in research, banana trade promotion services and collective negotiations for contracts, be it for shipments or long-term sales.

149. Here below in a summarized form are some recommendations for the consideration of African banana producers and exporters:

- (1) In view of the fact that the centrally-planned economies, including USSR, are consuming relatively much less than their counterparts elsewhere with similar purchasing powers, African producers should negotiate with these countries for joint ventures in the production of banana and for guaranteed markets for reasonably long periods. The joint ventures could involve 50/50 ratios from production to marketing with built-in procedures for phasing the foreign investment portion out gradually.
- (2) With other countries especially in the Middle East, North Africa and Southern Europe long-term contracts should be sought, even if such agreements were to be made on a barter basis.
- (3) The banana industry should be encouraged to set up nuclei plantations. This might involve State participation, but experienced foreign investors should not be ruled out as possible investors in plantations, possibly on a joint venture basis.
- (4) Banana exporting countries that have as yet not done so should consider the establishment of a Marketing Board and co-operatives if small producers are to participate advantageously. These would insure greater production and would make the expansion of domestic and foreign banana trade possible.
- (5) Negotiations with shipping lines and other distributors should be undertaken with a view to ensuring the availability of maximum predictable space for the shipment of banana exports at reasonable rates.
- (6) An African Banana Producers and Exporters Association would be desirable. It would be a clearing house for a number of common activities such as the sharing of research and marketing, would act as an African group in negotiating freight rebates, long-term banana sales contracts, etc., and would play their part in policy-making.

- (7) African banana exporters should participate actively in the activities of FAO and related agencies and especially the Standing Committee of Exporters. Through these agencies, African exporters could negotiate an increased share of banana markets, and a reconsideration of quota systems, better prices, access to transport facilities and market channels.
- (8) Banana trade within Africa should be encouraged through bilateral agreements which could also take into consideration all relevant aspects, including transportation and possibilities for barter trade.

Table 1: Banana production and yield in selected countries and territories

(Thousand metric tons and 100 kg/hectare)							
	Prod. Yield	1961-65	1965	1966	1967	1968	1969
Cameroon	P	157	140	117	115	120	120
	Y	50	56	69	68	71	71
CAR	P	170	170	170	170	170	170
	Y	100	85	85	85	85	85
Congo	P	4	7	10	10	10	10
	Y	34	50	50	50	50	50
Zaire	P	48	50	50	50	50	50
	Y	32	33	33	33	33	33
Dahomey	P	10	10	10	10	10	10
	Y	50	50	50	50	50	50
Equatorial Guinea	P	10	10	10	10	10	10
	Y	50	50	50	50	50	50
Ethiopia	P	37	44	44	50	50	50
	Y	170	200	200	227	227	227
Gabon	P	10	10	10	10	10	10
	Y	59	67	67	67	67	67
Guinea	P	67	90	69	50	75	80
	Y	111	136	105	76	114	121
Ivory Coast	P	127	138	145	187	172	172
	Y	130	136	134	144	132	133
Madagascar	P	144	155	180	170	180	180
	Y	136	141	139	131	139	139
Malawi	P	5	5	5	5	5	5
	Y	34	31	31	31	31	31
Mauritius	P	4	10	9	10	11	11
	Y	206	246	231	238	246	244
Mozambique	P	25	25	25	25	25	25
	Y	49	50	50	50	50	50
Reunion	P	7	6	6	6	6	6
	Y	206	240	240	240	240	240

Table 1: Banana production and yield in selected countries and territories (cont'd)

(Thousand metric tons and 100 kg/hectare)							
	Prod. Yield	1961-65	1965	1966	1967	1968	1969
Sao Tome and Princ.	P	4	3	2	3	3	2
	Y	61	60	45	58	54	44
Senegal	P	3	2	2	2	2	2
	Y	56	46	48	50	50	50
Somalia	P	126	157	127	184	190	190
	Y	115	147	169	263	271	271
Sudan	P	10	10	10	10	10	10
	Y	100	100	100	100	100	100
Swaziland	P	1	1	1	1	1	1
	Y	67	28	32	50	50	50
Tanzania	P	12	12	12	12	12	12
	Y	30	30	30	30	30	30
Egypt	P	58	64	85	66	86	91
	Y	180	190	224	166	228	241
Total Africa	P	1,099	1,185	1,167	1,224	1,278	1,287
	Y	82	89	93	96	100	101
Total World	P	10,183	23,638	24,037	24,811	24,949	26,153
	Y	137	142	145	148	148	143
Costa Rica	P	284	567	399	512	703	967
	Y	230	236	167	301	391	461
Dominican Rep.	P	313	270	238	238	250	250
	Y	137	135	119	119	132	192
Honduras	P	888	1,090	1,000	1,195	1,255	1,350
	Y	142	166	154	184	190	199
Mexico	P	841	960	978	986	1,040	1,025
	Y	124	128	129	129	135	131
Brazil	P	4,087	4,531	4,626	5,236	5,484	6,022
	Y	186	190	185	205	205	221

Table 1: Banana production and yield in selected countries and territories (cont'd)

		(Thousand metric tons and 100 kg/hectare)					
	Prod. Yield	1961-65	1965	1966	1967	1968	1969
India	P	2,690	3,485	3,412	3,203	3,007	3,100
	Y	143	171	163	154	141	148
Ecuador	P	2,603	3,304	2,956	3,163	2,693	2,700
	Y	179	157	158	156	150	150

Source: FAO Production, Yearbook 1969.

Table 2: World exports of banana: average for combined years

Country	Weight Value	(In metric tons and thousands of US\$)							
		1962	1963	1964	1965	1966	1967	1968	1969
Guadeloupe	W	118,060	108,570	54,810	78,200	92,000	79,640	105,110	103,380
	V	11,953	11,642	7,198	10,768	13,046	11,307	13,295	11,365
Dominican Rep.	W	172,840	119,750	69,080	48,020	10,620	1,450	4,080	3,220
	V	11,788	8,618	5,208	3,409	788	118	222	294
Grenada	W	12,480	14,870	11,570	20,980	21,250	23,930	24,470	21,590
	V	710	1,006	922	1,326	1,504	2,309	1,950	1,465
Guatemala	W	91,760	131,900	111,010	58,000	76,730	43,690	142,500	157,100
	V	6,801	11,500	7,484	4,350	5,755	3,252	9,980	11,000
Honduras	W	378,380	343,600	349,000	571,560	786,300	865,170	884,800	837,980
	V	35,372	33,254	34,338	53,721	72,587	78,831	79,600	74,082
Costa Rica	W	292,520	261,930	293,690	316,040	358,740	371,050	574,980	718,920
	V	21,171	22,734	28,073	28,266	29,186	33,150	46,370	52,914
Panama	W	251,170	297,910	266,620	335,540	385,550	404,960	541,310	589,040
	V	11,754	13,724	20,522	30,589	34,787	42,006	53,046	61,248
St. Vincent	W	22,130	25,600	25,450	28,850	25,370	24,520	27,930	30,360
	V	1,487	1,754	1,968	1,836	2,477	2,366	2,650	2,125
Nicaragua	W	11,390	18,740	27,150	7,960	13,550	42,480	41,500	29,450
	V	768	1,391	2,151	788	1,182	3,324	3,231	2,245
St. Lucia	W	48,850	53,150	61,240	81,650	76,620	63,230	65,470	72,920
	V	3,412	3,593	4,774	5,943	7,482	6,101	6,220	9,217
Martinique	W	151,250	116,980	85,990	177,720	207,480	191,080	197,420	173,340
	V	15,274	12,429	11,993	24,472	27,740	26,154	24,637	19,117

Table 2: World exports of banana: average for combined years (cont'd)

Country	Weight Value	1962	1963	1964	1965	1966	1967	1968	1969
Jamaica	W	148,450	162,480	177,200	203,010	203,630	193,310	155,650	153,360
	V	12,633	13,563	16,925	18,005	17,766	18,085	16,560	14,963
Colombia	W	147,090	202,590	171,570	253,460	341,910	325,580	401,550	334,460
	V	10,644	13,257	12,406	18,620	22,248	25,003	22,773	19,629
Ecuador	W	1,100,000	1,340,000	1,382,700	1,200,000	1,264,800	1,262,370	1,251,520	1,193,200
	V	88,500	85,200	88,080	95,904	105,358	104,651	93,864	95,000
Brazil	W	216,340	205,900	225,540	215,750	204,810	170,910	160,120	162,730
	V	3,228	2,924	5,818	6,274	6,280	5,546	5,615	9,769
China	W	55,400	69,340	218,020	356,380	402,600	407,080	359,630	382,391
	V	8,265	9,452	35,030	57,180	56,899	53,625	48,639	49,231
Israel	W	12,270	17,660	13,340	17,210	21,240	21,300	14,300	7,410
	V	1,528	2,228	1,753	2,327	2,920	2,900	1,980	902
Lebanon	W	15,560	12,800	13,870	9,050	10,570	10,050	9,000	5,500
	V	1,685	1,305	1,447	1,125	1,313	1,042	1,000	650
Ivory Coast	W	122,960	133,410	125,930	128,310	127,000	142,570	147,350	147,330
	V	11,537	14,129	12,639	11,327	11,020	12,347	12,696	11,644
Somalia	W	75,560	94,510	104,830	99,290	93,890	84,450	84,820	91,490
	V	11,221	14,176	15,762	15,146	13,720	9,572	10,180	7,801
Guinea	W	44,100	44,900	30,000	24,900	25,000	33,180	30,800	22,000
	V	4,535	4,755	3,009	2,196	2,170	3,238	2,985	2,200

(In metric tons and thousands of US\$)

Table 2: World exports of banana: average for combined years (cont'd)

Country	Weight Value	(In metric tons and thousands of US\$)							
		1962	1963	1964	1965	1966	1967	1968	1969
Cameroon	W	134,100	121,300	115,700	119,090	46,810	48,480	44,800	46,510
	V	8,687	7,885	7,509	7,658	3,036	2,898	2,740	2,680
Zaire	W	28,750	21,040	13,350	7,030	7,120	5,000	3,180	...
	V	919	504	469	141	120	75	50	...
Ethiopia	W	4,600	13,430	12,150	12,650	13,000	17,760	15,300	...
	V	540	1,703	1,532	1,512	1,550	2,112	1,800	...
Angola	W	1,970	2,420	3,240	3,620	5,810	6,600	14,830	21,460
	V	55	105	136	213	406	562	1,354	2,615
Madagascar	W	2,800	10,820	14,460	18,300	33,220	21,520	21,470	10,730
	V	140	526	710	896	1,633	1,068	646	712
Cape Verde Is.	W	1,780	2,490	3,110	3,390	4,030	3,970	5,180	5,190
	V	72	102	135	118	231	276	364	360
Mozambique	W	15,990	19,420	20,210	15,320	11,300	13,940	6,340	11,740
	V	689	744	777	584	411	504	283	600
Total Africa	W	441,130	469,200	448,180	434,690	369,430	381,650	379,620	376,770
	V	38,993	45,112	43,030	40,127	34,495	32,916	33,696	30,651
Grand total (WORLD)	W	3,976,340	4,281,850	4,343,670	4,765,940	5,222,320	5,243,860	5,607,810	5,672,840
	V	314,947	324,917	362,844	442,078	481,885	488,095	499,574	500,581

Source: FAO, Foreign Trade Yearbook.

Table 2: Share of total banana exports in 1968

Importing countries		(Value in 1000 US\$)									
		OECD	USA	Canada	Germany F.R.	France	Italy	UK	Sweden	Austria	Switzerland
Exporting countries		Europe									land
WORLD		346,569	185,733	32,573	83,327	84,545	51,774	51,077	13,043	10,310	12,664
AFRICA											
Guinea		53,219	-	-	851	31,321	18,122	293	-	18	-
Ivory Coast		13	-	-	-	-	13	-	-	-	-
Ghana		24,631	-	-	251	19,070	5,249	3	-	18	-
Nigeria		250	-	-	-	-	-	250	-	-	-
Cameroon		40	-	-	-	-	-	40	-	-	-
Zaire		8,576	-	-	-	8,557	-	-	-	-	-
Angola		430	-	-	-	426	-	-	-	-	-
Somalia		2,537	-	-	-	-	-	-	-	-	-
Madagascar		12,943	-	-	-	-	-	-	-	-	-
		2,125	-	-	-	84	12,859	-	-	-	-
AMERICA						2,124	1	-	-	-	-
Colombia		102,871	37,018	7,432	38,821	1,000	11,211	535	12,537	5,806	3,871
Ecuador		32,981	356	38	8,190	-	467	181	7,809	221	131
ENTRAL AMERICA		69,867	34,723	7,394	30,631	1,000	10,744	354	4,728	5,585	3,740
Jamaica		187,579	148,350	25,133	43,650	52,177	22,435	49,348	507	4,459	8,437
Guatemala		24,848	-	-	-	-	187	24,641	-	-	-
Honduras		10,895	7,428	207	7,463	94	946	-	-	547	1,749
Panama		57,124	44,263	9,420	34,424	199	8,300	-	2	3,691	6,478
		7,127	45,000	7,800	986	-	5,214	86	106	165	109
ASIA		797	323	-	-	-	-	-	-	1	-
			56,010	-	-	-	-	-	-	-	281

Source: OECD, Trade by Commodities, Market Summaries: Imports, January-December 1968.

Table 4: Banana imports in selected countries

		(in metric tons and grams per caput)			
Countries		1965	1966	1967	1968
USA	tons	1,565,340	1,617,600	1,638,400	1,667,400
	kg	8.040	8.210	8.220	8.281
Canada	tons	167,000	174,910	181,870	194,320
	kg	8.485	8.723	8.897	9.355
UK	tons	376,300	369,210	354,910	345,700
	kg	6.922	6.755	6.455	6.271
Sweden	tons	53,330	57,330	66,270	74,160
	kg	6.899	7.340	8.420	9.375
Austria	tons	47,570	56,520	55,820	59,230
	kg	6.561	7.753	7.625	8.058
Belgium/ Luxemburg	tons	79,680	98,270	93,120	77,640
	kg	8.138	9.966	9.387	8.012
France	tons	399,280	460,400	444,030	430,690
	kg	8.188	9.365	8.961	8.629
Germany (F.R.)	tons	585,000	606,230	605,230	565,940
	kg	10.290	10.544	10.489	9.754
Netherlands	tons	81,320	99,560	100,230	97,930
	kg	6.616	7.996	7.954	7.698
Italy	tons	316,560	322,380	318,650	324,610
	kg	6.137	6.203	6.086	6.153
Japan	tons	357,610	416,250	481,070	637,790
	kg	3.646	4.210	4.814	6.309
Hong Kong	tons	18,250	29,190	22,490	20,960
	kg	4.945	7.825	5.872	5.346
USSR	tons	23,400	21,900	18,500	14,300
	kg	.101	.093	.078	.060
Germany(E.)	tons	15,000	20,000	28,000	28,000
	kg	.939	1.250	1.750	1.750
Poland	tons	1,330	3,210	3,240	6,680
	kg	.042	.101	.102	.207

Table 4: Banana imports in selected countries (cont'd)

		(in metric tons and grams caput)			
Countries		1965	1966	1967	1968
Bulgaria	tons	590	150	280	4,570
	kg	.072	.018	.034	.546
Yugoslavia	tons	14,540	20,350	37,540	36,160
	kg	.745	1.030	1.881	1.794
Greece	tons	8,490	10,130	14,630	24,450
	kg	.992	1.176	1.677	2.778
Czechoslovakia	tons	14,040	17,790	20,110	26,000
	kg	.991	1.249	1.405	1.810
Cyprus	tons	700	610	870	730
	kg	1.186	1.016	1.426	1.177
Iran	tons	4,540	2,770	-	20
	kg	.182	.108	-	-
Iraq	tons	5,330	6,580	5,500	4,160
	kg	.562	.791	.641	.469
Saudi Arabia	tons	11,800	14,400	15,500	13,970
	kg	-	-	-	-
Syria	tons	4,780	7,440	8,080	6,510
	kg	.913	1.382	1.458	1.142
Algeria	tons	24,620	18,000	18,000	11,000
	kg	2.065	1.481	1.435	.850
Libya	tons	3,070	990	5,510	14,140
	kg	1.895	.589	3.166	7.855
Tunisia	tons	1,070	1,410	2,210	730
	kg	...	.298	.458	.148
Grand total	tons	4,660,720	4,983,400	5,050,380	5,204,760

Source: OECD, National publications and UN Yearbook, 1968.

Table 5: Value of banana exports compared with total exports earnings and world banana exports

	1967						1968					
	Exports			% of			Exports			% of		
	Total exports	of the commodity		total exports	% of world exports		Total exports	of the commodity		total exports	% of world exports	
	A	B		C = B/A	D ^{1/}		A	B		C = B/A	D ^{1/}	
AFRICA TOTAL ^{2/}	8,370.0	32.9		0.4	6.7		9,710.0	33.7		0.3	6.7	
of which: Angola	238.0	0.6		0.3	0.1		271.0	1.4		0.5	0.3	
Cameroon	152.0	2.9		1.9	0.6		197.0	2.7		1.4	0.5	
Cape Verde	1.0	0.3		30.0	0.1		1.4	0.4		28.6	0.1	
Ethiopia	101.0	2.1		2.1	0.4		106.0	1.8		1.7	0.4	
Guinea	51.0	3.2		6.3	0.7		55.0	3.0		5.5	0.6	
Ivory Coast	325.0	12.3		3.8	2.5		425.0	12.7		3.0	2.5	
Madagascar	104.0	1.1		1.1	0.2		116.0	0.6		0.5	0.1	
Mozambique	122.0	0.5		0.4	0.1		154.0	0.3		0.2	0.1	
Somalia	27.8	9.6		34.5	2.0		29.7	10.2		34.3	2.0	
Costa Rica	144.0	30.1		20.9	6.2		171.0	46.4		27.1	9.3	
Guadeloupe	32.4	11.3		34.9	2.3		38.1	13.3		34.9	2.7	
Honduras	158.0	78.8		49.9	16.1		183.0	79.6		43.5	15.9	
Jamaica	231.0	18.1		7.8	3.7		224.0	16.6		7.4	3.3	
Martinique	42.9	26.2		61.1	5.4		39.9	24.6		61.7	4.9	
Panama	94.0	42.0		44.7	8.6		100.0	53.0		53.0	10.6	
Colombia	510.0	25.0		4.9	5.1		558.0	22.8		4.1	4.5	
Ecuador	200.0	104.7		52.3	21.5		208.0	93.9		45.1	18.7	
WORLD TOTAL		488.1			100.0			501.3			100.0	

Sources: FAO, Trade Yearbook, 1969;

UN Monthly Bulletin of Statistics, September 1971;

UN Yearbook of International Trade Statistics, 1968.

^{1/} D = B divided by world total.^{2/} Developing Africa.