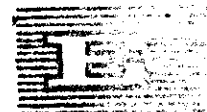


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Item 4 and 5 of the provisional agenda

AGRICULTURAL COMMODITY STABILIZATION IN NIGER
(Paper submitted by the Government of Niger)

Note by the Secretariat:

This paper was submitted in response to a note by the Executive Secretary inviting participating governments to contribute papers on the topics included in the provisional agenda.

COMMODITY PRICE STABILIZATION MEASURES IN NIGER

In Niger stabilization measures are applied to two agricultural commodities, cotton and groundnuts.

Two organizations are responsible for applying these measures: the inter-African "Caisse de Stabilisation des Prix du Coton" (Cotton Price Stabilization Fund), and the national "Caisse de Stabilisation des Prix des Produits du Niger" (Price Stabilization Fund for Niger Commodities) which covers both cotton and groundnuts.

I. LA CAISSE DE STABILISATION DES PRIX DU COTON (COTTON PRICE STABILIZATION FUND)

The Republics of the Ivory Coast, Dahomey, Upper Volta, Niger and Mali have entered into a Convention establishing a Caisse de Stabilisation des Prix du Coton (Cotton Price Stabilization Fund).

This Convention, which came into force on 1 September 1959, replaced the federal regulation promulgated by the Decree of 14 October 1954 on the establishment of Price Stabilization Funds in Overseas Territories.

The purpose of the Caisse de Stabilisation des Prix du Coton (Cotton Price Stabilization Fund) is:

- (1) as a priority measure, to control the producer's cotton price and to cover, totally or partially, possible losses on cotton seasons;
- (2) the payment of crop premiums or of bonuses to producers;
- (3) the execution of special direct programmes for the development and improvement of cotton growing.

The Fund is administered by a Managing Committee composed of:

5 Representatives of the general interest (one Minister, or his representative, from each of the States concerned);

5 Representatives of Producers' interests (one representative from the Legislative Assembly of each of the States concerned);

5 Representatives of exporters' and processors' interests (delegates of the C.F.D.T.,^{1/} the Office du NIGER, the Group of African cotton exporters, the CONFREVILLE establishments, and of the Consular Assemblies of the 5 States).

The resources of the Caisse de Stabilisation des Prix du Coton (Cotton Price Stabilization Fund), which has taken over the assets and liabilities of the former Caisse fédérale (federal Fund), are derived from:

- (a) the cash balance on the books of the chief Treasurer and Paymaster at DAKAR;
- (b) the proceeds of contributions, rebates or dues on the export value of cotton, and all other resources derived from local regulations or decisions of the Legislative Assemblies concerned in accordance with their organic texts;
- (c) the proceeds of contributions, rebates or dues derived from past conventions with individuals, professional groups or Associations;
- (d) revenues from funds invested in the Treasury or any other public body receiving deposits;
- (e) possible earnings from its possible interventions on the cotton market;
- (f) possible subsidies from the textile support fund or any similar body.

The Compagnie Française pour le Développement de Fibres textiles (C.F.D.T.), a mixed economy association responsible for the entire marketing (purchase, ginning and export) of Niger's cotton production, signs an annual contract with the Caisse de Stabilisation Inter-Etats (Inter-State Stabilization Fund) whereby it undertakes to purchase the producers' output

^{1/} Compagnie Française pour le Développement de Fibres textiles (French Company for the development of Textile Fibres).

of cotton seeds at a price arranged after consultation with the Caisse Inter-Etats (Inter-State Fund) and varying with the fob price guaranteed by the Fonds de Soutien des Textiles d'Outre Mer (Overseas Textile Support Fund).

When the average sale price is lower than the guaranteed price, the Caisse covers the C.F.D.T. for the difference between the product of the guaranteed price and the tonnage sold and the total realized from all sales. When the average sale price is higher, the C.F.D.T. pays to the Caisse the difference between total sales and the products of the guaranteed price and the tonnage sold.

II. La Caisse de Stabilisation des Prix des Produits du Niger (Price Stabilization Fund for Niger Commodities)

A Caisse de Stabilisation des Prix des Produits du Niger, a public body of a commercial nature with legal status and financial autonomy, was established by a Decree dated 7 November 1960.

The purpose of this Caisse, which was established to replace similar organizations which had been functioning in Niger since 1955, is the stabilization of the purchase price of the various agricultural commodities in Niger:

either by ensuring the disposal of commodities whose sale is not, or is insufficiently, guaranteed by inter-State agreements on the organization of markets;

or by offsetting production, processing or transport costs which are too high to permit sale at the price guaranteed by similar conventions or sale at world prices.

The Caisse de Stabilisation des Prix des Produits du Niger is in the first place responsible for:

- (a) ensuring the stabilization of the producer's price of groundnuts by guaranteeing to pay to exporters, in respect of the exportable production surplus not covered by the Convention between

France and Niger, the difference between the realized price and the cif price in the French port guaranteed by the said Convention;

- (b) ensuring the stabilization of the producer's cotton price by offsetting the increase in transport prices to the port of COTONOU resulting from the abolition of the rebate on long-distance transport.

Decrees could make the Caisse responsible for other measures in support of national commodities.

The Caisse is administered by an Administrative Council composed of:

- 5 Representatives of the general interest;
- 5 Representatives of private interests (producers, weighers and recognized intermediaries, carriers, exporters, Chamber of Commerce).

The Caisse derives its resources from:

- a single tax per ton of shelled groundnuts marketed in Niger, the rate of which is fixed by the Decree on the Campagne de Commercialisation des Arachides (Groundnut marketing Campaign);
- a rebate paid by the Republic's budget of one-sixth of the export duties on groundnuts and their derivatives and on cotton;
- all subsidies, contributions, rebates, and dues which might be paid to it.

The effects of these measures have been appreciable, particularly with respect to cotton and will be expected to increase with respect to groundnuts during the next few years.

During the last 10 years, indeed, the production and export of groundnuts have continued to increase, the production of groundnuts in shells increasing from:

76,000 tons in 1953
to 140,000 tons in 1955
and 150,000 tons in 1960

and, during the last three years:

1959/60 104,000 tons - 57,000 tons marketed shelled
1960/61 150,000 tons - 76,000 tons marketed shelled
1961/62 - 66,000 tons marketed shelled.

This increase is due largely to the fact that during these last years groundnuts from Niger have found a guaranteed market in France at a stable price generally higher than the world price. Following application of the Treaty of Rome, however, this system will disappear. So far the U.S.A. has discountenanced a system of preferential tariffs for commodities from African countries, and even in the EEC it appears that Holland wishes to adopt an identical point of view. The Caisse de Stabilisation des Prix des Produits du Niger (Price Stabilization Fund for Niger Commodities) will permit the stabilization of groundnut prices in a possibly less favourable system.

The cotton stabilization measures have made possible a guaranteed price which has risen progressively (average purchase price 1956/57 CFA frs.26,750 per ton, 1957/58 frs.28,100, and 1958/59 frs.31,000) thus ensuring increased incomes for producers and the improvement of crops and yields, production having increased from 600 tons in 1957/58 to 1,300 tons in 1958/59, 2,300 tons in 1959/60 and 2,800 tons in 1960/61.

Moreover, satisfactory markets have been found for this production as is proved by the export figures which amount to 2,300 tons (local consumption 500 tons).

(The 1962 budget of the Caisse Inter-Etats (inter-State Fund): CFA frs.118,000,000, an increase of frs.23,300,000 over the 1961 budget - Subsidy from the Fonds de Soutien des Textiles (Textile Support Fund) 60 million - support to exporters for the 1961/62 season to the order of 100 million).

Niamey, 17 May 1962