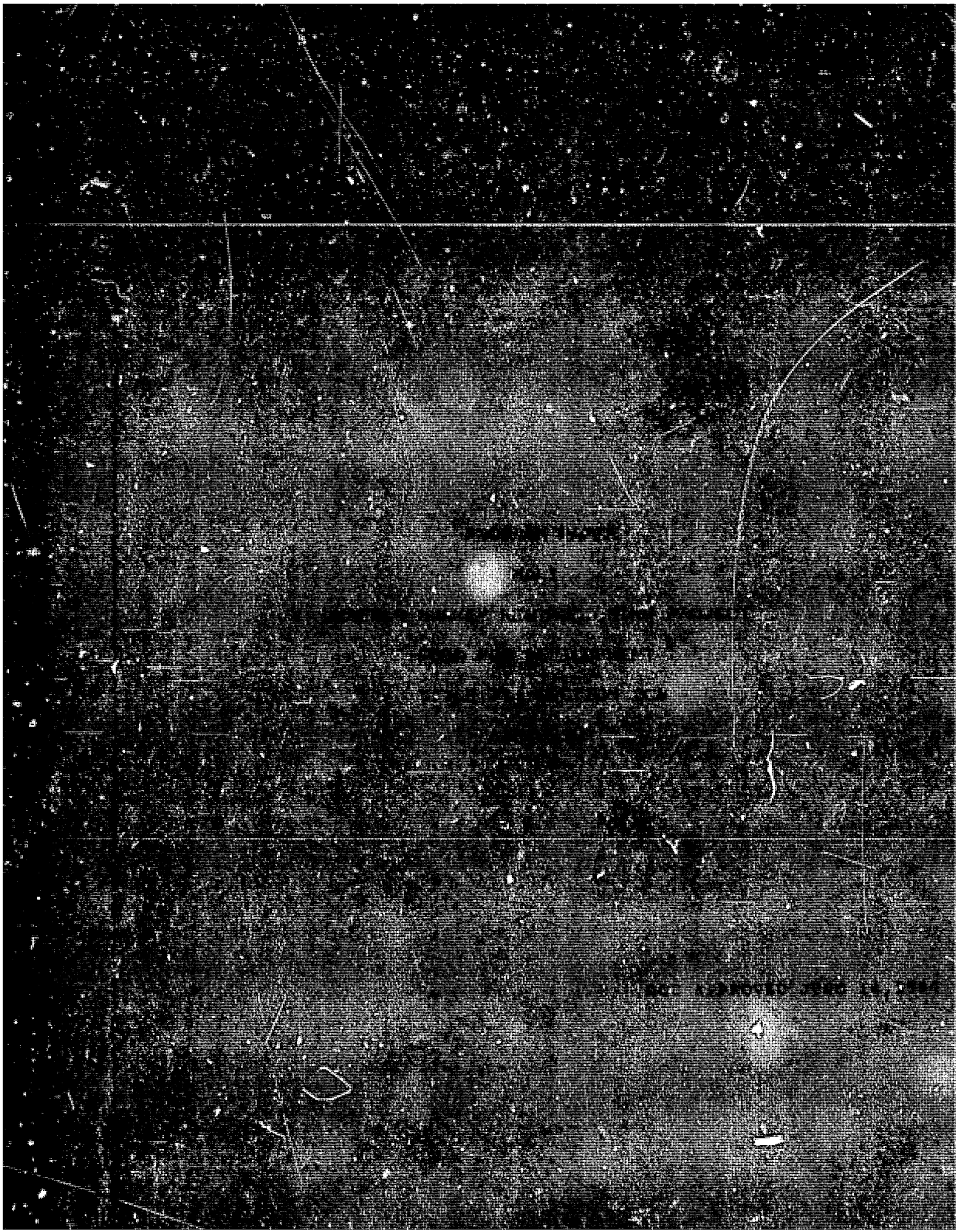

## CURRENCY EQUIVALENTS

U.S. $1 = MF 800

MF 100 = $0.125

## WEIGHTS AND MEASURES

1 kilogram (kg) = 2.205 pounds

1 metric ton (MT) = 2,205 pounds

1 kilometer (km) = 0.6215 miles

## COMMONLY USED ABREVIATIONS

| | |
|---|---|
| Baréme | Price Schedule |
| BNDA | Banque Nationale pour le Développement Agricole (National Bank for Agricultural Development) |
| CCCE | Caisse Centrale de Coopération Economique (French Development Bank) |
| CMDT | Compagnie Malienne pour le Développement des Textiles (Malian Company for Textile Development) |
| CNAVS | Comité d'Aide aux Victimes de la Sécheresse (National Committee for Assistance to Drought Victims) |
| FAC | Fonds d'Aide et de Coopération (French Aid Agency) |
| FED | Fonds Européen de Développement (EEC Aid Agency) |
| FRG | Federal Republic of Germany |
| GRM | Government of Republic of Mali |
| IDA | International Development Association |
| IFAD | International Fund for Agricultural Development |
| IER | Institut d'Economie Rurale (Rural Economy Institute) |
| OACV | Opération Arachides et Cultures Vivrières (Groundnuts and Food Crops Operation) |
| ODIPAC | Office de Développement Intégré des Productions Arachidières et Céréalières (Office for Integrated Development of Groundnut and Cereal Products) |

| | |
|---|---|
| ODR | Opération de Développement Rural<br>(Rural Development Operation) |
| OHV | Opération Haute Vallée<br>(Upper Valley Operation) |
| OMM | Opération Mil Mopti<br>(Mopti Millet Operation) |
| ON | Office du Niger<br>(Niger Office) |
| OPAM | Office de Produits Agricoles du Mali<br>(Malian Office of Agricultural Products) |
| ORM | Opération Riz Mopti<br>(Mopti Rice Operation) |
| ORS | Opération Riz Ségou<br>(Ségou Rice Operation) |
| OSRP | Office de Stabilisation et de Régulation des Prix<br>(Office of Price Stabilization and Regulation) |
| PRMC | Projet de Restructuration du Marché Céréalier<br>(Cereals Market Restructuring Project) |
| SCAER | Société de Crédit Agricole et d'Equipement Rural<br>(Agricultural Credit and Rural Equipment Company) |
| WFP | World Food Program |

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AGENCY FOR INTERNATIONAL DEVELOPMENT

# PROJECT PAPER FACESHEET

1. TRANSACTION CODE: A (A = ADD, C = CHANGE, D = DELETE)

PP

2. DOCUMENT CODE: 3

3. COUNTRY/ENTITY: MALI

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 digits): 688-0230

6. BUREAU/OFFICE: A. SYMBOL: AFR; B. CODE: 06

7. PROJECT TITLE (Maximum 40 characters): CEREALS MARKET RESTRUCTURING

8. ESTIMATED FY OF PROJECT COMPLETION: FY 86

9. ESTIMATED DATE OF OBLIGATION: A. INITIAL FY 84; B. QUARTER 4 (Enter 1, 2, 3 or 4); C. FINAL FY 86

10. ESTIMATED COSTS ($000 OR EQUIVALENT $1 = )

| A. FUNDING SOURCE | FIRST FY B. FX | FIRST FY C. L/C | FIRST FY D. TOTAL | LIFE OF PROJECT E. FX | LIFE OF PROJECT F. L/C | LIFE OF PROJECT G. TOTAL |
|---|---|---|---|---|---|---|
| AID APPROPRIATED TOTAL | | | | | | |
| (GRANT) | ( ) | ( ) | ( ) | ( ) | ( ) | ( ) |
| (LOAN) | ( ) | ( ) | ( ) | ( ) | ( ) | ( ) |
| OTHER U.S. 1. P.L 480 | 5,700 | | 5,700 | 15,255 | | 15,255 |
| OTHER U.S. 2. | | | | | | |
| HOST COUNTRY | | | | | | |
| OTHER DONOR(S) | | | | | | |
| TOTALS | 5,700 | | 5,700 | 15,255 | | 15,255 |

11. PROPOSED BUDGET APPROPRIATED FUNDS ($000)

| A. APPROPRIATION | B. PRIMARY PURPOSE CODE | PRIMARY TECH. CODE C. GRANT | PRIMARY TECH. CODE D. LOAN | E. 1ST FY 84 F. GRANT | E. 1ST FY 84 G. LOAN | H. 2ND FY 85 I. GRANT | H. 2ND FY 85 J. LOAN | K. 3RD FY 86 L. GRANT | K. 3RD FY 86 M. LOAN |
|---|---|---|---|---|---|---|---|---|---|
| (1) P.L 480 | 133 | | | 5,700 | | 4,665 | | 4,890 | |
| (2) | | | | | | | | | |
| (3) | | | | | | | | | |
| (4) | | | | | | | | | |
| TOTALS | | | | 5,700 | | 4,665 | | 4,890 | |

| A. APPROPRIATION | N. 4TH FY ___ O. GRANT | N. 4TH FY ___ P. LOAN | Q. 5TH FY ___ R. GRANT | Q. 5TH FY ___ S. LOAN | LIFE OF PROJECT T. GRANT | LIFE OF PROJECT U. LOAN |
|---|---|---|---|---|---|---|
| (1) P.L 480 | | | | | 15,255 | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| TOTALS | | | | | 15,255 | |

12. IN-DEPTH EVALUATION SCHEDULED: MM 01 YY 85; 0 1 8 6

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 (1 = NO, 2 = YES)

14. ORIGINATING OFFICE CLEARANCE

SIGNATURE: James M. Tiglerson

TITLE: A/DIRECTOR, USAID/MALI

DATE SIGNED: MM 05 DD 12 YY 84

15. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-4 (3-78)

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## B. EXECUTIVE SUMMARY

Until the Great Drought of 1972-74, Mali was basically self-sufficient in food. Over the last ten years, however, with the exception of 1976 and 1977, Mali has become a large importer of food and a perennial recipient of food aid. With food production stagnating at best and population increasing at a rate of 2.6 percent per year, it would seem that Mali would be destined to incur ever larger food deficits. However, every factual analysis of Mali's agricultural potential carried out over the last 10 years concludes that the potential exists for Mali to become once more self-sufficient in food in all but exceptionally poor years, despite the severe constraints of a harsh and unpredictable environment. All agree that food self-sufficiency is a matter of wisely husbanding Mali's resources for rainfed and irrigated agricultural production and of getting sector policies right.

Indeed until three years ago Mali's cereals marketing and pricing policies were widely held as one of the clearest illustrations in Africa of the damage to food production wrought by misguided policies. A heavy-handed but ineffectual cereals marketing monopoly combined with low producer prices engendered enormous costs to the economy in terms of production foregone and of public resource requirements. OPAM, the cereals marketing agency, was chiefly notable for its acute mismanagement and huge deficits.

In the late seventies, therefore, food donors were in a quandary. The need for food aid was evident, but the general feeling was that food aid, besides being badly administered, was merely propping up flawed sector policies and adding to disincentives to production. This prompted Mali's main food donors, including the U.S., to adopt a unified approach towards encouraging cereals marketing reform. Three objectives were identified: cereals marketing liberalization, improved production incentives and reducing the public resource requirements of the marketing system. In late 1980, the donors, grouped in a Donor Management Committee, formally approached the GRM with a proposal to provide 250,000 MT of food aid over five years in exchange for a gradual restructuring of cereals marketing along those lines. Food aid under the Cereals Market Restructuring Project (PRMC) began to flow during the 81/82 marketing year, after the GRM's official acceptance of the proposal was received. Although the Project is now in its third year, the U.S. was unable to provide a food contribution in the two first years because of the failure of the GRM to account for the proceeds of U.S. food aid shipments made in the late seventies, an issue which was only resolved in early 1983.

The GRM committed itself to the three objectives mentioned above. For their part, the donors pledged about 250,000 MT of food aid over five years, contingent on continuing progress in cereals marketing policy reform, which the donors evaluate on a yearly basis. Food aid local currencies are used to ease the



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process of reform by helping cover the cost to the marketing system of increasing producer prices, and by financing activities in support of Mali's Food Strategy as it relates to cereals marketing. The donors thus hope to help the GRM surmount opposition to liberalization within its own ranks and to demonstrate that appropriately designed policy reform can be carried out without causing civil unrest.

Much has already been accomplished. OPAM's marketing monopoly has been partially abolished. Official producer prices, the prices at which cereals are purchased from farmers, were significantly increased, as well as consumer prices. Technical assistance has been put in place in OPAM, to help formulate and execute a plan to overhaul OPAM management and trim operating costs, involving staffing reductions, selling off most of OPAM's truck fleet, subcontracting transportation to the private sector, and tightening inventory control and management so as to reduce cereal losses. As a result, OPAM's losses were reduced from MF 5.2 billion in 80/81 to MF 3.2 billion in 81/82 and MF 2.8 billion in 82/83, and cereal losses were brought down from 12 percent of turnover to 7 percent.

Much, however, remains to be done: to extend marketing liberalization to the monopolies held by the four rice-producing Rural Development Operations (ODR's) (Office du Niger (ON), Opération Riz Mopti (ORM), Operation Riz Ségou (ORS) and the Malian Company for Textile Development (CMDT)); to continue to improve cereal production incentives; and to reduce further the subsidies to the marketing system.

The GRM is committed in principle to paddy marketing liberalization but has mainly three concerns:

(i) that OPAM would no longer be certain to be able to purchase sufficient rice to supply civil servants;

(ii) that rice-producing ODR's would be losing a source of revenue which the GRM could not afford to replace in the short-term;

(iii) that the private sector would shun the government-owned rice mills which would come to a standstill.

In order to alleviate the GRM's concerns and pave the way for liberalization, the donors have officially proposed , provided paddy marketing is liberalized, a comprehensive package of measures involving a three-year joint donor commitment to:

(i) provide Mali with 15,000 MT of rice per year;

(ii) use the local currencies to provide ODRs' with cash for paddy purchases from the beginning of the harvest and to help finance their process of adjustment to liberalization.



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The donors view these proposals as transitional arrangements during the time the private sector will need to build the capacity to assume the marketing activities now carried out by the ODR's. Donor support is therefore to be phased-out at the end of the 3-year period.

The marketing monopoly is but one of several constraints to increasing paddy production. Concurrently with paddy marketing liberalization, therefore, those donors supporting rice-producing ODR's are committed to fund the necessary combination of capital investments and institution-building which, together with liberalization, should bring about substantial paddy production gains.

Measures to improve production incentives will mainly result from liberalization, but will also comprise continued adjustment of official producer prices to production costs, the introduction of regional prices, and non-price measures in rice-producing ODR's such as the introduction of more flexible levies, better security of tenure, etc.

Measures to reduce subsidies to the marketing system will involve a reduction of subsidies to OPAM to cover its deficit and of subsidies to the ODR's provided by the official price schedules. The reduction in OPAM's deficit in the Mission's view will involve a reduction in OPAM's size, a reform of OPAM's pricing policy, and further progress in reducing costs. The reduction of marketing subsidies to the ODR's will be due in great part to liberalization, which will cause a reduction in the volume of cereals moving through the official marketing system.

So as to increase their leverage and ensure consistency in their approach, the donors have agreed that local currency proceeds from the sale of food aid be pooled, although they are accounted for separately for each donor, and will only be used on the basis of unanimous agreement among donors at the level of field representations. It was also agreed that expenditures which would help facilitate policy reform would have first call on counterpart funds. The following uses are foreseen:

(i) continued financing of a part of OPAM's deficit, on a declining basis;

(ii) financial support to ODR's as mentioned above, in support of paddy marketing liberalization;

(iii) constitution of a security stock through local cereal purchases; and

(iv) expansion of the operations of the agricultural credit bank to rice-producing ODR's.

Regarding commodity selection and levels, the Mission concludes that rice is the most appropriate commodity, both because it would have the least disincentive effect on domestic production and because it would help meet the donors' pledge in support of paddy marketing liberalization.

The Mission believes it would be appropriate for the US to provide 10,000 MT of rice in FY 84 because of the very large 83/84 production deficit and the need to replenish OPAM's stocks which are certain to be severely depleted by the time the rice is delivered. It also would enhance the prospects for an early GRM decision to liberalize paddy marketing. In addition, the US would be marking its support for the PRMC and its satisfaction with progress accomplished so far.

The level of the U.S. contributions in FY 85 and 86 would be determined in the light of Mali's crop forecast and of the Mission's annual evaluation of progress towards the objectives of the Project according to selected benchmarks. This progress will be measured by a set of monitoring indicators. Annual evaluation will help adjust the U.S. contribution to Mali's food deficit which is subject to considerable annual fluctuations, provide the U.S. with added leverage, and reduce the downside risk if progress is less than satisfactory. Annual Section 206 installments in FY 85 and 86 would vary between 0 and 10,000 MT of rice, but would not exceed 15,000 MT in the aggregate. The total cost of the food aid provided over the three years of the program would not exceed an estimated $15.3 million for 25,000 MT of rice.

The Mission has weighed the pluses and minuses of the Project. The main drawbacks are the following:

a) individual donors have to relinquish a measure of exclusive bilateral control over the program design and the use of counterpart funds; and

b) the need to reach a consensus among donors before negotiating with the GRM as issues arise, and the comprehensiveness of the Project, do not allow a blueprint-type approach to the Project. Rather, donors contributing food aid simply establish a right to participate actively in a process of policy reform dialogue.

The Mission, however, believes that U.S. participation in the Project presents significant advantages:

a) donors when united can exercise far more powerful leverage than when dispersed;

b) the Project addresses the core policy issues standing in the way of Malian food security on a self-sustaining basis;

c) the Project's track record in stimulating desired reforms over its first two years is impressive;

d) U.S. risks are minimized. The U.S. can reduce its participation in any year if it considers that the Project is not making satisfactory progress;

e) The Mission believes that its active participation in donor deliberations will result in joint donor positions closer to the U.S. views than otherwise; and

f) the success of this donor group to date has had a very beneficial effect on the whole question of donor cooperation in Mali and should be encouraged. Already donor coordination has extended to larger areas such as the Food Strategy and to ODR reform.

## C. PROGRAM DESCRIPTION

### 1. Problem

#### a) Food Supply and Demand Situation

Mali has just experienced its worst drought in at least ten years, in many ways matching 1973/74, the worst year of the Great Drought.

Rainfall in 1983 was 30 to 60 percent lower than the long term average in all regions, except in the 5th Region (see Map 1 in Annex I for Mali's administrative subdivisions) where the deficit was of 17 percent. In addition, rainfall was generally poorly distributed: in many areas, rains stopped 4 to 6 weeks before crops would have reached maturity.

The Niger/Bani river system registered its lowest flooding level ever recorded, failing to submerse several hundreds of thousands of ha of normally reliable and productive pastures, as well as some 150,000 ha of rice.

As a result, cereal production in 83/84 is estimated at 760,000 MT of coarse grains and 120,000 MT of paddy. This will provide Mali with about 60% of minimum needs.

The international community has responded to Mali's requests for assistance and some 150,000 MT of food aid are anticipated. In addition about 140,000 MT of private rice imports are expected. This ought to help avert a catastrophic food crisis, but illustrates the extent of Mali's vulnerability to drought and dependency on food aid.

Even excluding such exceptionally bad years Mali exhibits every symptom of a "recurring structural food deficit problem and a record of periodic emergency food aid requests" (a). The following table synthesizes the food supply and demand analysis provided in Annex A.

Table 1: Malian Cereals Self-sufficiency and Availability

| Cereals availability/capita | 77 | 78 | 79 | 80 | 81 | 77-81 av. |
|---|---|---|---|---|---|---|
| from domestic production | 141 | 163 | 137 | 119 | 103 | 132 |
| (% of nutritional norm) | 77 | 88 | 75 | 64 | 56 | 72 |
| including imports | 146 | 174 | 156 | 134 | 120 | 144 |
| (% of nutritional norm) | 79 | 95 | 85 | 73 | 65 | 78 |

Source: Mission estimates.

(a) From P.L. 480 Sector 206 draft guidelines.



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From 1978 to 1983, Mali received between 15,000 and 80,000 MT of food aid each year, representing an average of 46,000 MT per year (see Annex H, Table 1.5).

It is clear that Mali is a long way from self-sufficiency. Domestic production between 1977 and 1981 only secured 72 percent of national needs calculated on the basis of standard nutritional requirements. Even including food aid and other imports, the proportion only rises to 78 percent, and an important gap remains. This is corroborated by local nutritional surveys which find much evidence of widespread malnutrition, even though rarely in its acutest forms.

Despite the bleak picture painted above, the GRM along with many observers is convinced that the potential exists for Mali to feed itself. Whether this potential is realized depends on three factors: weather, technical change in production systems, and public policies.

b) Agricultural Resources

Compared with 5 other Sahelian countries (a), Mali is relatively well endowed in land with good potential for rainfed agriculture. It has about 50 percent more per capita than the average. It is especially well placed in irrigation potential, where it accounts for two thirds of the Sahelian total. Taking into account the need for long fallow periods within current farming systems, FAO (b) calculates that Mali cultivates about 13 percent of its arable land against an average of 19 percent in the Sahel and a maximum sustainable ratio of 30 percent. These numbers have to be interpreted with caution as they do not rest on a sufficiently detailed analysis of soil characteristics, but they do indicate a significant margin for increasing land under cultivation without threatening the ecology.

Sixty percent of Mali's total land area of 124 million hectares, situated north of an east-west line roughly tangent to the Niger curve (see Map No. 2 in Annex I), receives less than 200 mm annual rainfall and offers therefore no potential for rainfed agricultural production. Of the remaining 40 percent, 5 is not available for agriculture (classified forests, water, urban areas).

The 44 million ha of arable land fall in three areas:

- the Sahelian Area, with rainfall between 200 and 650 mm/year, represents 23 million ha north of an east-west line running through Kayes in the West to Tomimian in the East.

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(a) Mauritania, Sénégal, Upper Volta, Niger, Chad.
(b) FAO - Etude Prospective pour le Développement Agricole des Pays de la Zone Sahélienne: 1975-1990, 1976



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- the Sudano-Guinean Area receiving more than 650 mm of rainfall per year (up to 1,400 mm) and covering about 18 million ha.

- an Area straddling the two and representing about 3 million ha with potential for irrigation, of which about 210,000 ha are currently irrigated.

The 1974-78 Five-year Plan further subdivides the 3 areas mentioned above in 10 ecologically homogeneous zones, which correspond substantially to the boundaries of the main Rural Development Operations (ODR's). Table 2 sets out their main characteristics, and Map No.3 in Annex I the boundaries of the main ODR's.

Table 2: Main Characteristics of the 10 ecological zones (1980)

| Zone | Available area | Cultivated area | Cultivated/ available | 1980 Rural Population | Density | ha cultivated per inh. | Rainfall range |
|---|---|---|---|---|---|---|---|
| | 000ha | 000ha | % | 000inh | inh/sp.km | ha/inh. | mm/year |
| South (CMDT) | 7,710 | 535 | 6.9 | 1,775 | 23 | 0.30 | 800-1,400 |
| Haute Vallée (OHV) | 730 | 47 | 6.4 | 326 | 45 | 0.14 | 800-1,200 |
| West Center (ODIPAC) | 9,500 | 599 | 5.7 | 1,108 | 12 | 0.48 | 650-1,000 |
| Subtotal Sudano-Guinean Zone | 17,940 | 1,121 | 6.2 | 3,209 | 18 | 0.35 | |
| Seno/Dogon (OHM) | 2,650 | 338 | 12.7 | 683 | 26 | 0.49 | 400-800 |
| Lake Zone (OZL) | 1,450 | 32 | 2.2 | 337 | 23 | 0.09 | 200-400 |
| 6th and 7th Regions (ARSG) | 11,310 | 12 | 0.1 | 530 | 5 | 0.02 | 200-400 |
| Sahel (ODIK) | 7,360 | 179 | 2.4 | 556 | 8 | 0.32 | 400-700 |
| Subtotal Sahelian Zone | 22,770 | 561 | 2.5 | 2,106 | 9 | 0.26 | |
| Office du Niger | 40 | 34 | 85.0 | 58 | 145 | 0.59 | |
| Niger and Bani Valleys | 610 | 65 | 10.7 | 210 | 34 | 0.31 | |
| Delta | 2,310 | 115 | 4.9 | 457 | 20 | 0.25 | |
| Subtotal irrigated Zone | 2,960 | 214 | 7.2 | 725 | 24 | 0.30 | |
| TOTAL | 43,670 | 1,895 | 4.3 | 6,040 | 14 | 0.31 | |

Source: CILSS, Développement des Cultures Pluviales au Mali, 1983

The Sudano-Guinean area offers the best potential for rainfall agriculture and the most reliable agricultural surplus



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to feed the urban population and for exports. It is divided in three zones: the Southern, the West Central and the Haute Vallée zones.

The Southern Zone, lying between Upper Volta, Guinea, the Ivory Coast and the 14th parallel, is the most favorably endowed of the three (800 to 1,400 mm annual rainfall) and Mali's rural development success story. Agricultural production is widely diversified and comprises millet, sorghum, maize, cotton, groundnuts, rice, tea and kenaf. The Malian Textile Development Company (CMDT) has successfully promoted cotton production in the zone since 1963 and is gradually succeding in integrating food crops with cotton production, livestock with cropping activities, and in stimulating increased grass-roots participation of farmers organized in tradition -based groups (the village tons). Cotton acreage and yields have been consistently increasing over the last twenty years, more recently maize production has been surging, and in general farmers in the zone rank among the most technologically advanced in the Sahel (e.g. about 65 percent use animal traction).

In contrast the West Central Zone, nearly as large as the Southern Zone, has been the scene of the country's most painfull rural development setback, concluded with the demise in 1978 of the Groundnut and Food Crops Operation (OACV). The zone borders on Senegal in the West, on the Southern zone and on the Sahelian Area. Benefitting from less favorable climatic conditions than in the South (650 to 1,000 mm rainfall), the zone is also of difficult access because of very hilly terrain. Productions are the same as in the South minus cotton and with greater emphasis on groundnuts. OACV represented an attempt to base agricultural development in the zone on groundnut production for export, as with cotton in the South, but management, marketing and agronomic problems brought about OACV's bankrupcy, which the collapse of the international market for groundnut oil would have nevertheless made inevitable. Since 1/80 a new organization, the Office for Integrated Development of Groundnut and Cereal Products (ODIPAC) is attempting to redesign the development approach in the area.

The Haute Vallée Zone, the smallest of the three, is situated west along the Niger between the two other zones and Guinea. The zone has good assets, such as good rainfall, good soils and the proximity of the large market of Bamako. It has however not fully realized its potential so far, partly because of the institutional failings of Opération Haute Vallée (OHV). The main cash crops grown in the zone are cotton and tobacco and the main food crops millet, sorghum, maize and vegetables.

The Sahelian area has been divided in four zones: the Seno Plain/Dogon Plateau, the Sahel Zone, the Lake Zone and the 6th and 7th Regions Zones.

The Seno Plain, contiguous to Upper Volta, is mostly given to millet and sorghum cultivation and sells its production



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surplus, when one is available, to herders descending from the North. The Plain is one of the most densely populated rural areas in Mali, and despite the considerable farming ingenuity of its population is approaching the limits of its potential. The Dogon Plateau is notable for its active production of vegetables, particularly onions.

Like the Seno Plain, the Sahel Zone mostly produces sorghum and millet. The zone borders on Senegal in the West and Mauritania to the North. The problematic surplus of the zone is mostly sold to herders descending from Mauritania during the dry season. The zone is ecologically fragile and threatened with desertification because of overgrazing, of clearing for extensive cultivation and of bushfires.

Agriculture in the sub-desertic Lake Zone and in the 6th and 7th Regions depends partly on rainfall, partly on flooding from the Niger. Most crops are sown in September-October in areas uncovered by the receding Niger and depend on the residual moisture to reach maturity. In the absence of irrigation equipment and infrastructure investments, the prospects for intensification are non-existent.

There are 3 main types of irrigation found in Mali:

- traditional irrigation of rice under natural flooding on about 115,000 ha, in the floodplains of the Niger and the Bani rivers. The rice germinates under rain and grows as the flood waters rise. Yields are low (about 0.7 MT/ha on average) and highly vulnerable to poor rainfall and unpredictable flood patterns. Possibilities of intensification are limited.

- semi-controlled flooding of rice, where dikes allow to partially regulate (actually only to delay) the flooding at a low cost/ha. Output remains dependant on rainfall and flooding levels, and yields, while higher than in natural flooding (0.8 to 1.2 MT/ha), have remained disappointing so far.

- fully controlled irrigation of rice (about 40.000 ha) and sugar cane (2,000 ha), nearly all of which in the Office du Niger (ON). Although in over 30 years since production began, ON has failed to live up to expectations -- initial objectives were for 1 million ha under irrigation -- and rice yields have never exceeded 2.5 MT/ha, considerable physical potential exists for increasing both the area under irrigation and productivity.

Finally, livestock is present in all these areas. In the northern part of Mali where transhumance prevails, livestock is the most important source of food and income. Moving South, livestock assumes progressively less importance as a source of food but a greater role in farming systems as a source of organic fertilizer and animal traction. Trypanosomiasis is prevalent in

the South and the West.

### c) Agricultural Production

Table 3 summarizes the evolution of production, acreage and yields of major crops grown in Mali. Erratic fluctuations brought about by unpredictable rainfall mask most underlying trends, but there is no discernible upward movement of food production, with perhaps the recent exception of maize, which thanks to CMDT's efforts in the Southern Zone has had yields exceeding 1 MT/ha for 3 consecutive years for the first time. Indeed it appears that maize production is poised for significant further advances.

Cash crops are a study in contrasts. Cotton acreage and yields are clearly on the upswing; a temporary dip between 1980 and 1982 due to poorly distributed rainfall and to a deterioration of producer terms of trade has now been overcome, and preliminary indications are that despite the drought the 83/84 crop was close to the largest on record. Progress in the past was due to regular increases both in acreage and yields; more recently increases were entirely due to yield improvements, thanks mostly to the introduction of a new variety. To the contrary, because of the collapse of the international market for groundnut oil as well as for other reasons briefly mentioned earlier in connection with the West Central Zone, groundnut production is in steep and to all appearances irreversible decline, affecting both acreage and yields. The latter is not surprising as the demise of OACV has nearly entirely halted the provision of credit and inputs to groundnut farmers.

Agricultural production performance in Mali is not very different from that of African countries with a comparable ecology. Nowhere under similar conditions has it been possible to obtain sustained increases in millet/sorghum production on a significant scale, nor is Mali alone in experiencing a collapse of groundnut production or for that matter in successfully increasing cotton production. It is also perhaps too early to confidently predict a durable takeoff of maize production. Most significant however is the failure so far of longstanding efforts to drought-proof food production in Mali by tapping its potential for irrigation. Paddy production, about 60% of which is accounted for by rice-producing ODR's operating controlled or semi-controlled water delivery systems, is hardly commensurate with the resources expended for irrigation development in the past. We will return to this issue later.

While the agronomic problems involved in increasing rainfed agricultural productivity are well known and no technological breakthrough appears to be close at hand, it is widely accepted that in many African countries flawed agricultural marketing and pricing policies were an important contributing cause to poor production performance. As will become clear later in the PP, Mali was no exception until recently and there remains scope for improvement. Indeed this is precisely the central issue addressed by the Cereals Market Restructuring Project.



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Table 3 : Production, Area and Yields of Major Crops in Mali

| | 73/74 | 74/75 | 75/76 | 76/77 | 77/78 | 78/79 | 79/80 | 80/81 | 81/82 | 82/83 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Millet/sorghum** | | | | | | | | | | |
| Production (000MT) | 660 | 800 | 800 | 900 | 800 | 1,000 | 943 | 654 | 871 | 793 |
| Area (000 ha) | 1,378 | 1,330 | 1,300 | 1,384 | 1,318 | 1,372 | 1,431 | 1,403 | 1,420 | 1,393 |
| Yield (MT/ha) | 0.48 | 0.60 | 0.62 | 0.65 | 0.61 | 0.73 | 0.66 | 0.47 | 0.61 | 0.57 |
| **Maize** | | | | | | | | | | |
| Production | 63 | 100 | 70 | 80 | 50 | 55 | 64 | 73 | 70 | 95 |
| Area | 71 | 90 | 89 | 102 | 100 | 105 | 112 | 47 | 60 | 74 |
| Yield | 0.89 | 1.11 | 0.79 | 0.78 | 0.50 | 0.52 | 0.57 | 1.55 | 1.17 | 1.28 |
| **Paddy** | | | | | | | | | | |
| Production | 130 | 250 | 218 | 237 | 199 | 251 | 165 | 165 | 175 | 129 |
| Area | 142 | 190 | 188 | 170 | 128 | 197 | 170 | 175 | 165 | 105 |
| Yield | 0.92 | 1.32 | 1.16 | 1.39 | 1.55 | 1.27 | 0.97 | 0.94 | 1.06 | 1.23 |
| **Cotton** | | | | | | | | | | |
| Production | 55 | 71 | 105 | 133 | 114 | 133 | 151 | 110 | 98 | 129 |
| Area | 73 | 80 | 91 | 122 | 103 | 119 | 123 | 111 | 85 | 105 |
| Yield | 0.75 | 0.89 | 1.15 | 1.09 | 1.11 | 1.12 | 1.23 | 0.99 | 1.15 | 1.23 |
| **Groundnuts** | | | | | | | | | | |
| Production | 100 | 151 | 145 | 160 | 128 | 126 | 116 | 92 | 92 | 48 |
| Area | 153 | 232 | 207 | 185 | 195 | 155 | 172 | 128 | 117 | 91 |
| Yield | 0.65 | 0.65 | 0.70 | 0.86 | 0.66 | 0.81 | 0.67 | 0.72 | 0.79 | 0.53 |

Source: Ministry of Agriculture, 1982-83 Annual Report

### d) Agricultural policies and institutions

Planning. The First Five-year Plan (1961-65) was drawn up shortly after independence. The stated Plan priority was to increase agricultural production so as to ensure food self-sufficiency and generate export revenues to finance industrial investment. The Plan was undertaken in the frame-work of the Socialist Option, involving state control of the commanding heights of the economy, and in the context of the break-up of the federation with Senegal involving large investments to substitute for existing communication links through the latter. The sectoral break-down of Plan investments is given below.

Table 4: 1961-65 Plan Sectoral Allocation

| | Planned (revised) | Actual |
|---|---|---|
| | billion MF | |
| Agriculture | 19.9 | 10.0 |
| (of which: Office du Niger) | (7.2) | (4.7) |
| Transport and Commun. | 25.1 | 13.5 |
| Processing Industries | 11.7 | 7.3 |
| Power | 2.8 | 2.8 |
| Mineral Research | 6.0 | 3.8 |
| Social and Admin. | 12.7 | 9.5 |
| Total | 72.8 | 46.9 |

Source: W.I. Jones, Planning and Economic Policy: Socialist Mali and its Neighbors. Three Continents Press. 1976.

The second planning exercise was a Three-Year Program of Economic and Financial Rehabilitation (1970-73) adopted shortly after the current regime took power. As a result of its primary focus, the Program stressed tax-and export revenue- generating productions, such as cotton and groundnuts. Eighty percent of the planned MF 116 billion were obtained, but only 40 percent of this was spent.

The Second Five-Year Plan (1974-78) was prepared in the midst of the 1972-74 drought. Its main emphasis was on food security, mainly through better control of water resources, as well as on the need to preserve the environment threatened by desertification. In the rural sector, responsibility for Plan execution was to rest mainly with Rural Development Operations (ODR's), the Malian version of integrated rural development agencies.

Sector allocation in the Plan was the following:

Table 5: 1974-78 Plan Sector Allocation

| | Planned | Actual |
|---|---|---|
| | billion MF | |
| Rural Development | 133 | 92 |
| (of which: Agriculture) | (97) | (54) |
| Secondary Sector | 110 | 83 |
| Economic Infrastructure | 114 | 62 |
| Social Sector | 38 | 17 |
| Total | 395 | 254 |

Source: 1981-85 Plan Document

Finally, the Third Five-Year Plan (1981-85) stresses priorities very similar to those of the second, starting with food self-sufficiency. In a departure from the past, however, the Plan stresses the importance of grass roots participation in rural development activities, rather than previous top-down approaches.

As many observers have noted and as is the case in many other African countries, Malian plans are invariably too ambitious and, as a result, accomplishments are far below projections. A closer look at resource allocation within the agricultural sector reveals that more than half of planned --and actual-- investments are going to irrigated agriculture, despite the fact that rainfed agriculture accounts for roughly 90 percent of food production. Within rainfed agriculture, more than 80 percent of investments went to cash crop programs, and therefore less than 20 percent to food crops. Despite the respectable share of total investments going to rural development in successive Malian plans, and despite their stated priorities, it is evident that they have had but a marginal impact on food self-sufficiency.

Chief among the shortcomings of the planning process in Mali --insufficient prioritization, lack of economic project analysis, etc.-- is the weakness of the link between investment planning and sector policy formulation, between macro and micro economic planning, where sector policies often negate explicit (or implicit) investment priorities, as is the case for agricultural marketing and pricing policies for instance. It is with the aim of remedying this that the GRM, at the same time the 81-85 Five-Year Plan was launched, endorsed a Food Strategy prepared with the help of technical assistance financed by France and the US. The Food Strategy candidly acknowledges the failures of the past and stresses the importance of production incentives, the need

for greater farmer involvement in rural development planning and execution, and generally maps out the complex array of interrelated factors policy formulation must concern itself with if efforts aimed at bringing Mali closer to food self-sufficency are to succeed. Several subcommittees have been put to work to develop action plans in crucial areas (ecological zoning, agricultural statistics, agricultural research, agroindustries, marketing, transport and storage, health and nutrition). The challenge for the Food Strategy effort is now to go beyond the stage of pertinent diagnosis and engage in active therapy.

The ODR's. The creation of Rural Development Operations (ODR's) was decided during preparation of the 1974-78 Five-Year Plan. From 1972 to 1977, 20 ODR's were created, to which must be added Office du Niger and CMDT, both of which came into existence much earlier but operate along the same lines. There are currently 26 ODR's, most responsible for a particular area, but some for functions (seeds production, well digging, etc.).

ODR's were created on the premise stated in the Plan that all farmers in Mali are entitled to state assistance for extension, input supply, agricultural credit and marketing. Progressively thereafter, ODR's were made responsible for all state interventions in the rural sector, including functional literacy, health services and rural roads. The objective of the Plan was eventually to reach every farmer in Mali through an ODR. Map No. 3 shows the areas covered by the main ODR's and table 6 lists the 8 largest ODR's, their main crops -- the crops of primary emphasis are underlined -- and their sources of external financing.

So as to enable them to carry out their varied responsibilities, ODR's were granted administrative autonomy and authorized to seek external financing. Most of their funding other than external was to be derived from guaranted margins through marketing monopolies. (see p 23-26). To a small extent, considering the limited means of the state, some also received budget support.

Some twelve years after the ODR concept was initiated, the results can only be termed a failure. No ODR but CMDT can claim to have contributed to significant agricultural productivity increases and to an upgrading of farmers' production techniques. With the same exception, all ODR's are in financial difficulty, some to the point of complete paralysis. The causes are several.

First, often ODR's were established on inadequate or insufficiently adapted technical premises, where is was hastily and wrongly assumed that existing technical packages could be immediately extended or adapted for extension so as to rapidly raise productivity.



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Table 6: The 8 largest Rural Development Operations

| Operation | Crops | Funding Sources |
|---|---|---|
| Office for Integrated Development of Groundnut and Cereal Products (ODIPAC) | millet/sorghum (140,000ha), maize (15,000ha), groudnuts (40,000ha) | IDA, FAC |
| Malian Company for the Development of Textiles (CMDT) | millet/sorghum (450,000ha), maize (27,000ha), paddy (8,500ha) Cotton (100,000ha) | IDA, CCCE, FAC IFAD |
| Office du Niger (ON) | paddy (39,000ha), sugarcane (2,000ha) | IDA, CCCE, FAC, China, Holland Soudi Fund |
| Segou Rice Operation (ORS) | paddy (30,000ha) | FED |
| Mopti Rice Operation (ORM) | paddy (25,000ha) | IDA, CCCE, FAC |
| Opération Mils Mopti (OMM) | millet/sorghum (320,000ha), groundnuts (20,000ha), Cowpeas (15,000ha) | USAID |
| Opération Haute Vallée (OHV) | millet/sorghum (90,000ha), maize (12,000ha), paddy (2,000ha), groundnuts (14,000ha), cotton (7,000ha), tobacco (205ha) | USAID, FED |
| Kaarta Integrated Development Operation (ODIK) | millet/sorghum (110,000ha), maize (3,000ha), groundnuts (9,000ha), paddy (250ha) | Canada |

Source: Ministry of Agriculture, 82/83 Annual Report.

Second, ODR's were adversely affected by the sector policy environment. Some depended for financial viability on revenues from a marketing monopoly which was undermined by pricing policies. Most were affected by the disruption in credit and input supply following SCAER's demise (see next section). In addition, adverse international terms of trade -- the collapse of groundnut oil prices, increases in fertilizer prices -- compounded the effect of domestic policies.

Finally, nearly all ODR's were overwhelmed with insufficiently prioritized and often incompatible responsibilities, while often lacking in the most basic



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management and accounting capabilities. Forced to create employment to absorb the output of the agricultural education system, essentially unsupervised by central government (and often by their respective donors), many ODR's became a heavy burden on the economy with little to show for resources absorbed over the years.

As part of a general effort to address the causes of poor economic performance in the past (see Annex B), the GRM has undertaken to reform ODR's with the help of technical assistance financed by the World Bank. A preliminary report was produced and approved by the GRM, and the implementation phase is about to begin. Among the measures contemplated by the GRM in this phase are:

- closing down non-viable ODR's.

- divesting ODR's of functions not directly related to technical support to the farmers, and transfering them to the state or to the private sector. This would concern health, rural roads, functional literacy, credit and marketing.

- promoting a more participative and less top-down approach in which beneficiaries have a greater say and ODR's less discretionary power.

Research. The Institute of Rural Economy (IER) coordinates and carries out agricultural research in Mali. Despite acute budgeting problems largely related to Mali's fiscal situation, IER has a good cadre of Malian staff and carries out effectively a large and varied research program through stations in all of Mali's representative ecological zones. IER has been moving away from an excessive focus on cash crops and is now directing increasing resources to food crops with support from various donors, including the US through ICRISAT and SAFGRAD. Farming systems research was introduced in 1979, and is poised for a substantial expansion with USAID financing under a forthcoming project.

Credit and Input Supply. Up to 1981, input supply and credit were provided by the Rural Equipment and Agricultural Credit Company (SCAER) which had a monopoly on agricultural implements and inputs. SCAER would provide inputs to ODR's for the latter to sell to farmers on credit at prices fixed by Government. Inputs were subsidized, and the cost of subsidies was to be recovered by the Governement through margins provided within official price schedules and ploughed back into SCAER.

SCAER was eventually declared bankrupt in 1981 having accumulated bank overdrafts for over MF 12 billion. ODR's had accumulated arrears with SCAER because of low rates of credit recovery from farmers, the Government had failed to compensate SCAER for input subsidies, and SCAER itself had been unable to contain costs, establish an efficient procurement system and



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control inventories.

The National Bank for Agricultural Credit (BNDA) was created in late 1980 to take over SCAER's agricultural credit functions. BNDA is a conservatively managed bank which is initially operating in zones with an established credit system with high loan recovery rates, i.e. for the time being mostly the CMDT zone. BNDA is planning to cautiously expand its activities to rice producing ODR's but the prospects for further expansion are not clear.

Regarding input supply, since SCAER's demise by temporary arrangement CMDT procures inputs for itself and for other ODR's, but no decision has been made as to longer term input supply policies. The most apparent impact of the disruption in input supply institutional arrangements is a considerable increase in the price of imported inputs, as with SCAER's disappearance the mechanism for subsidization was dismantled.

Cereals Marketing and Pricing Policies. The Malian Office for Agricultural Products (OPAM) was created in 1965 and vested with the responsibility of carrying out the GRM's policy on marketing of agricultural products. Having been divested of marketing responsibility for several products, including recently fruits and vegetables, it now deals exclusively in cereals. OPAM is under the purview of the Ministry of Economy and Plan, with financial autonomy giving it access to bank credit.

OPAM has its headquarters in Bamako where 34% of its roughly 800 staff are employed, and representations in all of Mali's 7 regions, all of its 42 cercles, as well as in 11 of Mali's 350 arrondissements. Chart 1 shows OPAM's central organizational structure as well as a typical structure in a representation. Table 7 provides a breakdown of OPAM staffing by region between 1975 and 1984.

Chart 2 traces cereal and money flows through the official cereal marketing system. All official cereals marketing passes through OPAM, except for WFP's food-for-work program which is handled through the Ministry of Agriculture (a). OPAM's activities are planned on an annual basis in the framework of its Marketing Plan, prepared by the Marketing Department in November each year as soon as first estimates of the harvest become available, and updated monthly.

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(a) WFP's Food for Work program amounts to about 10,000 MT of cereals per year. Because of its specificity, it is not covered any further in this report.



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Chart 1: OPAM Organization chart

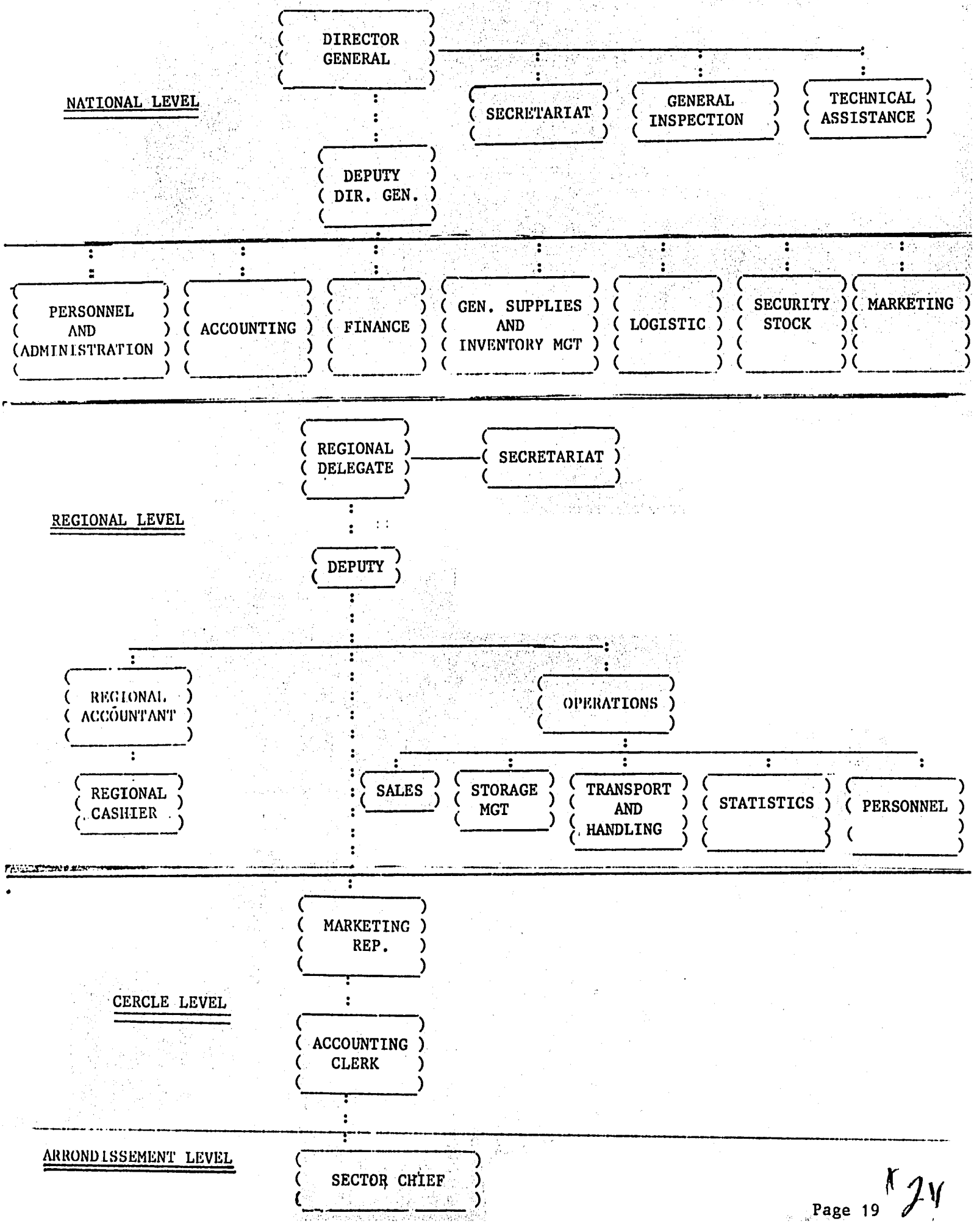

CHART 2: Cereals and Funds Flows in the Official Marketing System

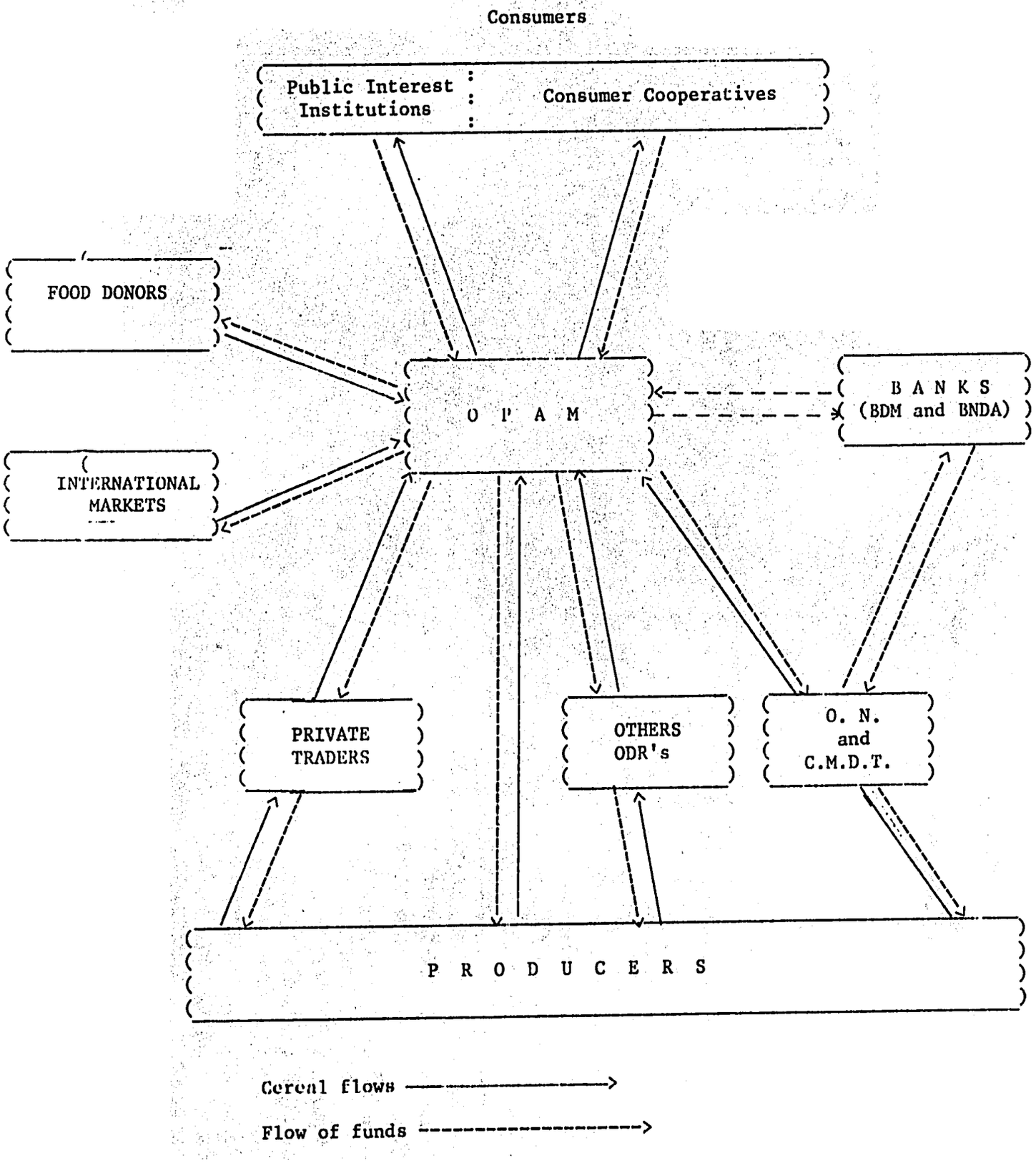

Table 7: OPAM staffing by region.

| | 1975 | 1979 | 1981 | 1983 | 1984 |
|---|---|---|---|---|---|
| Bamako | 283 | 349 | 320 | 261 | 232 |
| Kayes | 100 | 96 | 107 | 97 | 84 |
| Koulikoro | 70 | 88 | 88 | 81 | 74 |
| Sikasso | 44 | 86 | 77 | 88 | 82 |
| Segou | 65 | 141 | 120 | 120 | 116 |
| Mopti | 63 | 96 | 92 | 92 | 83 |
| Timbuktu | 57 | 70 | 58 | 58 | 58 |
| Gao | 71 | 69 | 96 | 66 | 67 |
| Total | 753 | 995 | 958 | 860 | 796 |

Source: OPAM

The Marketing Plan establishes regional cereal needs, presents food aid requests, and plans for OPAM's domestic cereal purchases and commercial imports. Needs are estimated on the basis of harvest forecasts, stocks, private importers' intentions and projections of local purchases. The balance is met by food aid and, in last resort, commercial imports.

OPAM's domestic cereal purchases are carried out both directly from farmers and through intermediaries on a contractual basis. Direct purchases are carried out by OPAM's own agents or by private traders operating on OPAM's account on local markets. Indirect purchases involve two complementary channels: Regional Cooperative Federations purchasing cereals through organized village cooperatives, and ODR's.

OPAM provides and replenishes revolving funds to its intermediaries to finance their purchases (except for ON which must finance its paddy purchases itself, mostly with bank credit, and only receives money from OPAM upon rice deliveries). All transactions take place at prices set by official schedules (see below). OPAM finances the system with its own cash generation and, to the extent necessary, through the banking system, which is able to rediscount short-term credits to OPAM with the Central Bank. OPAM also sells bags which it purchases commercially from SOMASAC. The following table gives a breakdown of OPAM's purchases in 81/82 and 82/83.



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Table 8: OPAM Domestic Cereal Purchases.

(000 metric tons)

| Buyer | 81/82 | 82/83 |
|---|---|---|
| OPAM | 4.2 | 5.9 |
| Cooperatives | 2.6 | 3.9 |
| ODR's | 34.2 | 31.5 |
| Total | 41.0 | 41.3 |

Source: Annex H, Table 3.3.

OPAM subcontracts most of its transportation requirements by road, rail or water, although it maintains a small fleet of trucks to handle those transport operations which are evenly spread throughout the year, such as rice purchases from ON. OPAM's planning for transportation and storage ensures that transportation and handling costs are minimized.

OPAM's storage capacity by region, adding up to a total of over 125,000 MT (including rented space), is shown in Table 3.2 in Annex H. While storage capacity and conditions appear to have been satisfactory over the recent past in all but exceptional crises, the FRG is financing a storage master plan to review OPAM's storage policies and need for storage upgrading and expansion, which may identify additional needs. Cereal conditioning and stock rotations are being carried out systematically with the help of technical assistance from the U.K. and the FRG.

The Marketing Plan provides the basis for regional cereal allocations, whether for sale or for free distribution. Free distribution takes place in the regions solely through CNAVS channels (for the role of CNAVS see Section C.1.e.); actual distributions are administered by local commissions supervised by local administration representatives. Sales in the regions are similarly administered by local commissions which allocate sale vouchers (for regional breakdown, see Table 3.5 in Annex H). Sales in Bamako are administered by OPAM. Like for its purchases, OPAM sells in Bamako directly or through intermediaries:

(i) directly to higher level civil servants, at its retail prices;

(ii) to "public interest" entities listed by decree. These



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entities include the army (over 90%), hospitals, prisons, etc.

(iii) to registered consumer cooperatives, of which there are 61 in Bamako with 400,000 members. The cooperatives take a margin and sell to their members.

The following table provides a breakdown of OPAM's sales in Bamako in 82/83:

Table 9:OPAM's sales in Bamako: 82/83

| | 000 MT | % |
|---|---|---|
| Direct Sales | 6.2 | 21 |
| Public interest entities | 9.0 | 30 |
| Cooperatives | 15.0 | 49 |
| Total | 30.2 | 100 |

Source: OPAM.

The official marketing system involves transactions between a constellation of intermediaries. Each intermediary is remunerated according to a barème, or official price schedule, based upon a detailed break-down of costs incurred at every step. These schedules set transaction prices as well as subsidies and constitute the official financing mechanism of the marketing system. Table 10 is an illustration of the price schedule for rice from ON between 81/82 and 83/84. ON purchased paddy from producers at the price shown in line 1. It sold rice to OPAM either at the millgate (at the price shown in line 15 minus the OSRP subsidy) and in Ségou at the price shown in line 20, in addition to which it also received a subsidy from the Office of Price Stabilization and Regulation (OSRP) shown in line 19.

Each ODR and each other category of marketing intermediary, including OPAM, has its price schedule (see Annex H, Tables 2.6 to 2.8). OSRP, which like OPAM is under the purview of the Ministry of Economy and Plan, derives its resources from tax receipts on gasoline sales, amounting to the difference between official gasoline retail prices, which are fixed, and the costs which the oil companies are allowed to charge, which are determined according to a flexible formula (see Annex H, Table 2.9). The banking system completes the financing mechanism of the official marketing system, by providing credit to OPAM, to ON and to CMDT, which is entirely rediscountable with the Central Bank.



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Table 10: Price Schedule for Rice from Office du Niger.

| Item | 81/82 | 82/83 | 83/84 |
|---|---|---|---|
| | (MF per metric ton) | | |
| 1. paddy producer price | 100,000 | 110,000 | 120,000 |
| 2. moisture loss,7% | 7,000 | 7,700 | 8,400 |
| 3. market and collection costs | 5,325 | 5,325 | 3,370 |
| 4. financial costs | 1,350 | 1,350 | 2,961 |
| 5. bags and string | 5,129 | 4,850 | 4,835 |
| 6. transport to factory gate | 3,424 | 3,044 | 3,272 |
| 7. extension costs | 5,573 | 6,130 | 11,655 |
| 8. contribution to ON overhead | 8,912 | 9,803 | 9,803 |
| 9. crop protection | 500 | 500 | 500 |
| 10. cost at factory gate | 137,213 | 148,702 | 164,796 |
| 11. rice equivalent (62% conversion rate) | 221,311 | 239,842 | 265,800 |
| 12. milling costs | 13,145 | 13,145 | 14,460 |
| 13. rice cost at factory gate | 234,456 | 252,982 | 280,260 |
| 14. by-products sale | -2,700 | -2,700 | -2,991 |
| 15. net cost at factory gate | 231,756 | 250,287 | 277,269 |
| 16. transport & handling Ségou warehouse | 9,227 | 10,106 | 9,674 |
| 17. transport losses (0.8%) | - | - | - |
| 18. cost ex-Ségou warehouse | 240,983 | 260,393 | 286,943 |
| 19. OSRP subsidy | -20,000 | -30,000 (a) | -82,225 |

Source: GRM cereals marketing decrees.



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The procedure for establishing the price schedule works in two stages as follows. In early April each year, a Technical Committee in which up to 50 entities are represented (including the PRMC) meets under the chairmanship of OSRP. On the basis of farm budgets prepared by the Rural Economy Institute (IER), it proposes producer prices for the upcoming cropping season based on production costs and on prices in neighboring countries. These prices are set by commodity, apply throughout the country, and are valid for one year. They are reviewed (and often modified) successively by an Interministerial Committee, a joint B.E.C. (a)/Government panel and the Council of Ministers. The review process takes about a month and producer prices are made public in early May, just prior to the planting period. The second stage, in which the remainder of the schedules is set, starts with an 8-day session of the Barème Commission (with roughly the same composition as the Technical Committee) in about mid-September. The Commission is divided in two subcommissions, one for cash crops and one for food crops, and works on the basis of cost break-down estimates presented by the concerned marketing intermediaries. Its recommendations are subjected to the same review and revision process as producer prices, and eventually, in early November, the GRM issues a Cereals Marketing Regulation Decree to which the full price schedules are annexed (see Annex D for recent Decrees).

The system is an attempt to provide a rational basis on which to establish the official marketing price and financial structure. Producer prices are set prior to the planting season and price margins and subsidies are meant to cover costs. However:

(i) some cost items in the schedules are unrelated to marketing operations - e.g. extension and overhead costs for ON - therefore putting an external financial burden on the official marketing system;

(ii) some elements of the schedules are not as freely adjustable as objective considerations would dictate. For example, OSRP subsidies are limited by OSRP resources which depend on international oil prices; producer prices are identical throughout the country and constant during the whole year, as well as insufficiently discriminating between products and qualities; and finally, consumer prices are equally uniform as well as held significantly below market levels;

(iii) the system provides no incentive to minimize costs: the benefits of measures taken by one ODR to reduce costs would be shared in the next round among others, and

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(a) B.E.C. is the Central Executive Committee of the Party.



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(iv) budgeting and accounting systems on which the system rests are often extremely weak.

As a result in practise, the margins provided by the price schedules are limited by the level of consumer prices which the GRM does not wish to exceed, and by the level of subsidies which OSRP can afford to fund. To reflect these limits in the official price schedules, OSRP somewhat arbitrarily lowers the cost estimates presented to the Barème Commission. The bottom line is that actual margins in the schedules no longer cover costs and ODR's are chronically short of funds. Often they have little choice but to cut operation and maintenance expenditures, regardless of the longer term cost in terms of production lost or future rehabilitation costs.

Having described the official marketing institutions and mechanisms, the structure of which has changed very little over the last 15 years, it is usefull to provide a cursory description of how the official cereals marketing system and policies affected the economy prior to the PRMC, which in 1981 brought about coarse grains marketing liberalization. This will help better understand the impact of policy reform which took place as a result of the Project and which is described in Section C.3.

In the absence of administrative restrictions, farmers' marketing activities are dictated by economic and social considerations as well as by the need to cope with an unpredictable environment. Farmers set aside what they need to feed themselves and their family until the next harvest, with a margin of safety in case of drought. Next they provide for seeds for the following season (10-15 kg/ha for millet/sorghum/maize, 70-100 kg/ha for paddy). Some goes for gifts, for neighbours in need or the extended family, for distribution to the poor (diaka), and to pay for hired labor. Farmers must however sell cereals or livestock to pay taxes and debts and for the purchase of necessities. Nearly all farmers (or their wives) go to nearby rural markets yearround to sell cereals, even those who have no surpluses. The latter run out of food in the hungry season and borrow from neighbors or traders. Traders will also lend for social events against the promise of reimbursement after the harvest, often at usury rates.

Prior to 1981, however, farmers were not free to decide how much of their production to sell and to whom. OPAM was vested by law with a monopoly over cereals marketing, and no cereal transactions were to take place outside the official marketing system. Local administrative commissions would determine marketing quotas for each village on the basis of estimates of the harvest and of consumption and seeds requirements. These quotas were collected for OPAM by organized village-level cooperatives. Failure of a village to deliver its quota would result in fines and sometimes in sterner sanctions.

It is necessary at this stage to draw a distinction between marketing of coarse grains (millet, sorghum, maize) and paddy

grown by natural flooding on the one hand, and marketing of paddy grown in rice-producing ODR's under controlled irrigation or semi-controlled flooding on the other hand.

Because of the low prices at which it purchased coarse grains and often because of funding problems, OPAM was unable to effectively exercise its formal monopoly on coarse grains marketing (a). Farmers would attempt to minimize their deliveries to OPAM and either sell their production domestically on the illegal parallel market (much of which was exported clandestinely), or withhold their production from the market altogether, withdraw into subsistence farming or switch to cash crops. Despite sporadic attempts by the Government to enforce the monopoly by force or threat of legal sanctions against farmers and traders, OPAM in most years controlled less than 30% of the market for coarse grains.

Two marketing systems for coarse grains therefore coexisted with widely differing characteristics. On the one hand, the highly structured official OPAM system rested on the local administration pyramid and dealt with farmers through Government inspired cooperative networks. On the other hand, dynamic parallel networks of buyers, brokers, transporters, and wholesalers in any combination, involving friends, extended parental and ethnic ties, all engaged in an activity deeply rooted in Malian tradition and history. Prices on the parallel market, both at the producer and consumer level, fluctuated independently of official prices applied by OPAM but remained consistently much higher (see Annex H, Table 2.2).

While its existence was never seriously threatened, the parallel market nevertheless was not ignored by the authorities and functioned under conditions detrimental to its efficiency. Operating illegally, traders had no access to institutional credit. The threat of fines and confiscation discouraged the open storage and transportation of cereals. Under those circumstances, it is more than likely that costs of trade were much higher than would have been the case in a free and competitive environment, although in the absence of reliable data no quantitative analysis is possible. There is equally no doubt that traders charged additional margins to compensate for the risk involved in breaking the law.

The market for paddy (b) grown in rice-producing ODR's never operated like that for coarse grains and was indeed excluded from

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(a) In the following discussion, paddy grown under natural flooding is assimilated to coarse grains.

(b) Conversely, references to paddy in the following paragraphs exclude paddy grown under natural flooding.



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marketing liberalization in 1981. Greater ease of control and a dense and often heavy-handed extension network was and is able to ensure that in areas covered by the ODR's very little marketed paddy leaks out of the official marketing system (a).

By far the largest of these ODR's is Office du Niger (ON), which accounts on average for over 80% of total official paddy marketing. A farmer working in ON has to remit all the paddy he produces to ON, except for an allowance covering his and his family's subsistence needs (currently 250 kg/capita). Of the paddy it collects from the farmer, ON levies 12 percent for threshing costs (farmers are not allowed to thresh their paddy themselves); 400 kg/ha as a water levy; and a quantity of paddy corresponding to the farmer's credit repayment obligation in kind for the provision of seeds, fertilizer or oxen and traction equipment. Whatever paddy remains, if any, is purchased by ON at the price provided by the official schedule, although actual payment is made with a delay of often up to six months. ON mills the paddy in its own four mills and sells the rice to OPAM at a price also determined by the schedule, to which is added a subsidy provided by OSRP (see table 10). The system is similar in outline in the two other main rice-producing ODR's, ORM and ORS, although levies are lower than in ON, corresponding to lower yields and higher risks of crop failure.

More so than the farmer producing coarse grains, even at the time of OPAM's coarse grain marketing monopoly, the farmer producing paddy in rice-producing ODRs' bears, through low paddy prices, a large share of the costs of price subsidies to urban consumers, of extraneous costs tacked on the official price schedules, and of the inefficiencies embedded at all stages of the official marketing system. The effect of low paddy prices on paddy production is impossible to isolate from a host of other constraints or institutional shortcomings, but the production performance of all rice-producing ODR's has consistently been below expectations.

Official cereals marketing and pricing policies up to 1981 were therefore extremely costly to the economy, both in terms of production foregone and of public resources. Farmers selling to the official system were receiving unremunerative prices, discouraging their production for the market. Trading margins in the parallel market were in all likelihood significantly higher than would have been the case in a free market, resulting in lower farmgate prices and at the same time, higher retail prices, therefore adding to the disincentive effect on production and increasing the urban cost of living. Illegal cereal exports to neighboring countries offering higher prices also contributed to Mali's growing dependence on food imports, mostly in the form of food aid, to meet food requirements.

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(a) Significant lossening has however occurred since the military handed management of ON over to civilians in 1981.

The cost was also very large in terms of public sector resources. Squeezed between fixed purchasing and selling prices, burdened as nearly all other parastatals in Mali by excessive staffing and low productivity, OPAM incurred enormous and mounting losses. OPAM financed these losses through credit from the state-controlled development Bank, BDM, and through OSRP special subsidies. The price schedules also required rapidly growing contributions by OSRP, which, however, were never sufficient to allow ODR's to cover costs. There is no doubt that a large share of these costs was due to considerable inefficiencies and misallocation of resources. Lacking the flexibility to rationally reduce costs - e.g. by shedding manpower-ODR's often had to cut back on expenditures vital to production, such as maintenance of irrigation infrastructure. Public resources diverted as marketing subsidies therefore clearly could have found more productive uses.

Nor did the official marketing monopoly achieve its objectives. Established mainly to guarantee low cereal prices for urban consumers, it never had a sufficient market share to fulfill that role and had to effectively ration its supplies to limited categories of the population, notably the army and civil servants. Finally, OPAM was not able to properly manage food aid and satisfy minimum donor standards of accountability.

In the late 70s, there was growing recognition in Government of the harm cereals marketing policy was causing the economy. At the same time, however, the status quo had a powerful constituency: the 40,000-odd civil servants and their families buying cereals from OPAM at prices far below market levels. This was a fact no attempt at policy reform could afford to ignore.

Private Cereals Marketing. Little is known of private cereals marketing in Mali, as for long its existence was barely acknowledged by the authorities and only reluctantly tolerated. A few recent studies shed some light on its overall structure but no quantified analysis is possible.

Traders meet farmers in villages and in rural markets. Their relationship is complex and poorly known: linked to their marketing activities traders play an important role in informal credit systems. Farmers often need non-institutional credit for social occasions or to feed themselves through the hungry season. They can get credit from relatives, neighbors, or traders. They can also pledge their labor for the next season. It is still an open question to what extent subsistence farmers in Mali are able to avoid a relation of dependency towards traders, and to what extent traders take advantage of this relation. Information on levels of farmer indebtedness and on credit terms is scanty but rates of up to 150% per year are often quoted. This is an important area for investigation, as exploitation of farmers by private traders is often invoked as the main justification for substantial state intervention in cereals marketing. Even if the need to protect farmers against exploitation exists, however, perhaps more cost-effective mechanisms can be found.

Most of the cereals sold on rural markets do not leave the area: they are either sold directly to local consumers, or to local purveyors of cooked meals. Metric weights are used for perhaps half of the sales, and traditional measurements (ladles, calabashes, etc.) for the remainder. Traders provide the link with other markets dotting the way to urban consumption centers. Semi-wholesalers, wholesalers, retailers, operating on their own account or on account of larger traders, contracting with transporters using donkey carts or trucks, often dealing in many commodities other than cereals, such as karité and kola nuts, are the atoms of complex networks the sole purpose of which is to match supply and demand.

There is every reason to believe that the private marketing system, when operating unhindered, is competitive and efficient. Price differentials between proximate markets clearly reflect active arbitraging and quick responsiveness to shifts in supply-demand relationships. Margins appear to be tight. The total number of participants in cereals trade, their specialization, their distribution by size and their capitalization are poorly known, but there are few signs of monopolistic market structures. However, traders as a group are known to be quick to take advantage of opportunities for speculation, as was recently demonstrated in Bamako where retailers briefly withheld cereals from the market, hoping to take advantage of inflationary expectations generated by Mali's entry in the West African Monetary Union and to engineer durable cereal price increases by manipulating supply. This must be taken into account in OPAM's marketing role: the official marketing system must have stocks it can release timely to discourage speculation.

The main impediments to greater efficiency in trade appear to be difficulty of access from farm to market and the lack of marketing credit mechanisms, forcing traders into numerous small purchases spread out over the year and quick rollover of stocks, and therefore inhibiting the constitution of interseasonal stocks. Several studies planned for the near future should help better understand private trade and devise ways in which improvements can be made.

e) Emergency Preparedness

Compared with the great 1972/74 drought, Mali is far better prepared to anticipate food shortages and expeditiously take action so as to prevent severe malnutrition. The principal elements of Mali's emergency preparedness are early warning systems to trigger an alert, pre-positioned security stocks in vulnerable areas of difficult access, and tried procedures to mobilize the international community for assistance.

Early warning systems allow the GRM and OPAM to monitor regional harvest prospects on a continuous basis. The ODR's provide the Ministry of Agriculture with monthly reports on production outlooks in all of Mali's representative ecological areas, throughout the cropping season. In addition, the agrometeorological network issues regional rainfall, climatic and crop condition reports every 10 days. While these systems do not produce accurate production statistics, they do provide a reliable and prompt qualitative assessment of the extent of food production shortfalls as they emerge.

Given the great mobility of Malian population groups most likely to be affected by a drought and the weak administrative infrastructure, it is not possible to target relief efforts on any basis other than production deficit estimates and their impact on cereal trade patterns. However, by trial and error in the seventies, OPAM has apparently been able to anticipate local needs with acceptable accuracy, judged by the lack of local supply crises over recent years.

The GRM and OPAM have very limited resources of their own to procure food in case of emergency and have to rely essentially on concessional food aid to meet a crisis. Over the years, the GRM and food donors have established procedures to mobilize relief efforts which recently at least have been operating satisfactorily.

As soon as it has established that an emergency is in the offing, the GRM alerts the international community to the extent of the anticipated food deficit, normally in late October when harvesting is underway. OPAM concurrently prepares and issues its Cereals Marketing Plan (see p. 18) which contains the GRM's estimate of the food deficit and presents specific requests to individual donors for food aid. By then, the GRM has also requested FAO to mount and lead a multidonor drought assessment team which is normally fielded in December. This provides the donors with an impartial assessment of the need (and the absorption capacity) for food aid, on the basis of which donors are able to mobilize.

Food aid in Mali falls in three categories which play complementary roles in case of emergency and are handled through different channels: the PRMC, which is under the purview of the Ministry of Economy and Plan, the National Committee for Assistance to Drought Victims (CNAVS) which is under the Ministry



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of Interior, and the Security Stock which is managed by OPAM under a bilateral agreement with the FRG.

PRMC donors normally provide programmed non-emergency food aid which is intended to cover Mali's structural food deficit, i.e. the deficit in a year with average climatic conditions. The assumption behind the PRMC is that the structural deficit will be eliminated as a result of cereals marketing policy reform. PRMC donors are therefore less concerned with emergency food aid, although distinctions are sometimes blurred and some donors - such as the U.S. with 5,000 MT of rice out of its FY84 emergency food aid - channel all or part of their emergency food aid through the PRMC to reinforce it and because of its greater accountability and administrative convenience. PRMC policy however, requires full monetization of food aid therefore CNAVS must be used to the extent part of food aid is to be distributed free.

CNAVS is the administrative entity specifically designated to handle emergency food aid. CNAVS depends on OPAM for delivery of food aid to local warehouses but operates within the Ministry of Interior which is responsible both for relations with emergency food aid donors and for local cereal administration for sale or free distribution. Final allocations are decided by local committees, presided by local administration representatives - who belong to the Ministry of Interior - but in which the local population is represented. While this system is far from perfect, there are sufficient checks on the allocation mechanisms to ensure that cereal diversions are kept to an acceptably low level.

The Security Stock, which is funded and was established by the FRG, plays a critical part in case of emergency, by providing pre-positioned food stocks in vulnerable areas of difficult access. so as to allow time for emergency food aid to arrive. The Security Stock can only be drawn down for emergency purposes; under other than emergency circumstances, withdrawals can only be made on the basis of previously secured replenishments. The Security Stock, which was established in 1976, ultimately aims for a target of 58,000 MT nationally on the basis of emergency scenarios established by FAO in 1977. It has however never exceeded 30,000 MT so far.

Finally, OPAM gears its Cereals Marketing Plan so as to meet unforeseen local food shortages as they arise by withholding allocation of about 20% of its cereal supplies until late into the marketing year, to serve as a contingency.

Mali's emergency preparedness has been put to its most severe test this year since the great 72/74 drought. In every respect, performance so far represents a considerable improvement over the past. Thanks also to the responsiveness of the international community, the worst hardships experienced during the great drought can be expected to be considerably less this year.

## 2. Project Concept and Objectives

The Project concept stems from protracted discussions between the GRM and various donors, including the U.S., throughout the late 70s. Food aid donors were increasingly concerned about the deterioration of Mali's food situation which all agreed was due in great part to cereals marketing policy. Donors were equally concerned by OPAM's acute mismanagement, its enormous deficits and its poor administrative performance in distributing food aid.

In perhaps their first attempt at coordination for policy reform, Mali's main donors sponsored a joint mission under the aegis of FAO in 1978, the report (a) of which laid the basis for the Project. In March 1981, the GRM agreed to the main characteristics of the Project outlined in a joint proposal signed by the U.S., the European Development Fund, France, Canada, the FRG, the UK, Belgium, FAO, the World Bank, and the World Food Program (selected PRMC documents are in Annex E). Food aid shipments under the Project began in 81/82, although the U.S. was unable to participate because of the failure of the GRM to account for the proceeds of earlier U.S. food aid shipments, an issue which was only resolved in early 1983. The Project was initially to extend over 5 years. However, in the context of a recent donor proposal to extend liberalization to paddy marketing (see Section C.3.), the donors have recently pledged support for a sixth year, until 86/87.

The goal of the Project is to assist Mali to achieve food security on a self-sustaining basis. Its purpose is to achieve cereals marketing policy reform, with the coordinated support of Mali's largest donors.

Cereals marketing policy reform involves three distinct, but linked, objectives. The first is marketing liberalization. This implies a drastic shift in the division of labor and responsibilities between the public and the private sector; state marketing monopolies would be systematically abolished and a much greater share of cereals marketing turned over to a legalized private sector. By the end of the Project, it is envisioned that OPAM will only retain responsibility for managing national food security stocks, for procuring cereals for public institutions, and for protecting farmgate and retail prices against excessive speculation. As for Office du Niger (ON) and other rice-producing ODRs', they will see their purchasing and processing monopoly abolished and will operate only as a buyer of last resort in a market in which the private sector will have the main role.

A second objective is an improvement of cereal production incentives. This would come about mainly through marketing liberalization, but would also involve an evolution of OPAM's

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(a) H. De Meel, La Politique Céréalière au Mali. FAO 1978.

price structure towards market-determined prices, and a revision of relations between paddy farmers and their ODR's leading to greater security of tenure, a revision of levies on paddy production and in general a greater devolution of tasks and responsibilities to farmers.

The third objective is a reduction in subsidies to the official marketing system, so as to free public resources for greater priority uses. This would require a reduction of OPAM's deficit through cost-cutting, a reduction in OPAM's size, planning and management improvements, a reduction in consumer price subsidies, and a gradual reduction of marketing subsidies provided by the official price schedules. In this instance as well, marketing liberalization in itself would help achieve this objective by allowing a reduction of the volume of cereals moving through the official marketing system.

Cereals Market Restructuring is central to Mali's Food Strategy, prepared with U.S. (USDA) and French technical assistance and approved by the GRM in mid-1982. At the center of the Strategy is the need to improve production incentives, which is one of the primary objectives of the Project. Although formulation of the Project preceded the Strategy, the latter forcefully emphasizes the role of Cereals Market Restructuring in aiming for food self-sufficiency.

Similarly, Cereals Market Restructuring ranks as a priority US intervention in the Mission's strategy outlined in the FY 85 CDSS, the primary objective of which is to enhance rural household productivity and incomes. The Project constitutes the Mission's principal vehicle for contributing to policy reform, one of the two main emphases of the strategy. It would also contribute to another important US goal in Mali which figures prominently in the CDSS, that of removing the constraints affecting the activity of the private sector. No less importantly, the Project offers the Mission an opportunity to practice "systematic... interaction with other donor institutions and with developing countries' governments, addressed to support their economic policies when they are deemed effective," (a) as well as to "encourage countries to modify... policies so as to minimize government intervention in price formation and distribution systems."(b)

While sometimes differing on the desirable pace and extend of liberalization, donors are united on the main thrust of reform. The Government's position is, however, far more uneasy.

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(a) AID Policy Paper: Approaches to Policy Dialogue. December 1982, p. 1.

(b) AID Policy Paper: Pricing, Subsidies and Related Policies in Food and Agriculture November 1982, p.1.

There is an important faction committed to state control of cereals marketing. While its position has been considerably weakened by OPAM's huge losses and ineffectiveness in controlling the market, this faction is prepared to take advantage of any mishap befalling reform, such as a price flare-up in the cities involving a risk of civil unrest. Above all, however, there is widespread concern, even among the partisans of reform, that traders might seek to take advantage of liberalization and of a less than competitive environment (poor communications, market concentration, lack of institutional credit, illiteracy...) to manipulate markets to their advantge to the detriment of farmers and consumers.

Donors are sympathetic to this latter concern, and all recognize the political sensitivity of marketing reform, and therefore, the need to adopt a pragmatic position.

- First of all, despite the sentiment of some of them that OPAM should disappear altogether, the donors have accepted that <u>OPAM's continued existence is a political necessity</u>, and further that OPAM has to retain the capability to intervene on a limited scale in urban markets to keep price speculation in check.

- Second, recognizing the need to wean OPAM's privileged customers gradually from their low-price cereal sources <u>to prevent a political backlash</u>, the donors accepted that OPAM could not fully pass on immediately increased producer prices to consumers, and would thus incur increased deficits in the early stages of the Project. They therefore have agreed that part of the proceeds of food aid sales should be used to cover the deficit resulting from a faster increase in producer prices than in consumer prices during an interim period.

- Third, the donors judged that paddy marketing liberalization would remain unacceptable to the GRM, unless the donors were prepared to <u>help eliminate the attendant political and financial risks</u>, at least through a transitional period. They therefore agreed that this was another acceptable use of counterpart funds.

- Lastly, donors agreed it would be politically unwise to attempt to negotiate a rigid detailed multi-year schedule of reform with the GRM. Rather, it would be preferable to <u>rely on the political judgement of the partisans of reform within the GRM</u> as to how best to advance towards the mutually agreed general objectives of the Project, as long as the overall rate of progress remained satisfactory in the donors' judgement.

Donors are however equally aware of the risk of an open-ended food aid commitment on their part in return for unspecified progress towards the objectives of the Project. They



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are also aware of the risks of Malian budget "addiction" to local currencies generated by food aid. They have therefore set a six-year time limit to the Project, provided for the systematic phasing out of local currency uses, and devised a Project implementation mechanism allowing them to exercise flexible leverage on reform. Having made it clear to the GRM that continued multi-donor food aid in support of the Project will depend on the GRM's continued commitment to marketing liberalization, improved production incentives and reduced marketing subsidies, donors evaluate progress in these directions on an annual basis, communicate their annual evaluation to the GRM, and write to the GRM collectively whenever they deem it necessary to make their joint viewpoint known.

The U.S. took an active part in shaping the Project, dating back to its participation in the FAO-sponsored 1978 Mission referred to earlier. It has taken part in all donor deliberations and, along with other donors, counter-signed all joint donor correspondence addressed to the GRM (see Annex E). Were it not for the unresolved issue connected with earlier food aid shipments, the Mission would have recommended a U.S. food aid contribution under the Project from its inception in 81/82. This block was removed on February 2, 1983, when the GRM deposited MF 153.5 million in the project account. The U.S. thereafter resumed emergency food aid grants to Mali, providing 10,000 MT (5,000 MT of rice and 5,000 MT of cornmeal) in FY 83 and again in FY 84. It was decided that the 5,000 MT of rice provided in FY 84 would be channelled through the PRMC, therefore constituting the first U.S. food contribution to the Project.

3. Description of Program Activities

a) Self-Help Measures to Date

The most noteworthy single measure taken so far by the GRM under the Cereals Market Restructuring Project (PRMC) is the partial abolition of OPAM's monopoly and the redefinition of its reponsibilities.

- Decree 338 of December 24, 1981 provides in outline that:

  - licensed traders are authorized to market freely sorghum, millet and maize, as well as to import all cereals (including rice);

  - OPAM retains its monopoly over the rice grown in Office du Niger, Operation Riz Mopti. Operation Riz Segou and the CMDT zone; and

  - cereal exports remain an OPAM monopoly, except in individual cases approved by the Minister of Commerce.

- Law 83-36 of February 8, 1982 provides that OPAM's responsibilities are the following:

- to manage national security stocks and food aid;
- to procure cereals for "public interest institutions", such as the army, hospitals, prisons, etc.;
- to ensure an adequate supply of cereals to cereal deficit areas;
- to help protect farmgate and retail prices.

Selected laws and decrees are in Annex D.

This represented a significant step foward in the donors' view, although it fell short of the ultimate objectives of the Project. Private traders have been increasingly active in the market since the law allowed them to operate unhindered, and have begun to constitute associations in order to increase the scale of their operations and establish storage facilities and credit channels. However, the legislation still excludes most of the rice produced nationally from liberalization, as well as cereal exports. The prospects for removing both restrictions are analyzed later. In addition, there is some concern that strict licensing requirements might inhibit competition within the private sector. Another concern is that the GRM retains the authority to force traders to set prices below established ceilings, although it has used it sparely so far.

OPAM's price structure has been improved since Project inception. First, while prior to the Project official producer and consumer prices were announced together just before the harvest, for the past two years relatively higher producer prices were announced separately just before planting so as to influence planting activities and enhance the function of prices as production incentives. Second, as can be seen in table 11, both producer and consumer official prices have risen considerably by past standards. In 82/83, there is evidence that OPAM's purchasing activity early after the harvest helped support maize producer prices in the Southern Zone. In 83/84, a very low production year, market producer prices throughout Mali have so far been consistently higher than official prices and no OPAM buying has been necessary. On the other hand, after two large consecutive increases in 81/82 and 82/83, having frozen civil servant salaries for a third consecutive year, the GRM felt unable to increase consumer prices further in 83/84.

OPAM has made headway in increasing its productivity by taking the first steps in a medium-term cost-reduction program adopted in late 1981. During 1982 and 1983, staff was reduced by 170, from 958 to 788 as of March 1984. OPAM has begun contracting out with private truckers for transportation and mothballed 30 of its 64 heavy trucks; it expects to dispose of a further 16 shortly. Although some of these actions took place towards the end of OPAM's 82/83 fiscal year, transportation costs for the whole year were nevertheless reduced by 26 percent over 81/82.



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Another factor accounting for a reduction of transportation and handling costs was the introduction of systematic yearly planning of cereal movements, which helped avoid the extensive cross-hauling of the past. Improved financial control, and better

Table 11: Official Cereal Prices 1976-1984

| | Malian Francs/KG | | | |
|---|---|---|---|---|
| Year | Millet/Sorghum/Maize | | Rice | |
| | Producer | Consumer | Producer (Paddy) | Consumer (RM 40) |
| 1976/77 | 32 | 52 | 40 | 112 |
| 1977/78 | 36 | 57 | 45 | 137 |
| 1978/79 | 40 | 65 | 50 | 150 |
| 1979/80 | 50 | 77 | 62.5 | 180 |
| 1980/81 | 70 | 85 | 75 | 200 |
| PRMC | | | | |
| 1981/82 | 85 | 116 | 100 | 230 |
| 1982/83 | 90/95 | 125 | 110 | 250 |
| 1983/84 | 100 | 125 | 120 | 250 |

Source: Annex H, Table 2.1 and 2.2.

storage management helped reduce overall cereal losses from an average of 12 percent prior to the Project to 7 percent in 82/83. Thanks to these measures and to generally tighter management of overhead costs, OPAM's overall deficit was reduced from MF 5.3 billion in 80/81 to MF 3.2 billion in 81/82, and to MF 2.8 billion in 82/83 (see Annex H, Table 3.5). Lastly, to set the stage for further cost reductions, a cost accounting system was established in OPAM in 82/83, breaking down costs by area, by commodity and by function, and results are expected in the near future.

The PRMC has been set up and its implementation mechanism made operational. A Donor Coordinator has been appointed by the World Food Program, and a Donor Management Committee has been actively meeting (about ten times in 1983). Among the characteristics of the PRMC, donors pool all their counterpart funds and decide on their use on an unanimous basis. A financial mechanism as well as a system to systematically monitor food aid flows and counterpart funds have been set up. Both of these now function to the satisfaction of all donors, while at the same time reducing the administrative burden both on OPAM and on individual donors by channelling all administrative and monitoring requirements through the Donor Coordinator. Consultation between the GRM and the donor group is satisfactory, allowing excellent coordination for food aid planning as well as a productive policy dialogue. In contrast with many other countries, therefore, there are established and tried arrangements providing for systematic coordination among donors



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as well as dialogue between donors and Government. Finally, considerable technical assistance has been put in place financed by various donors:

- with the Ministry of Economy and Plan, for policy formulation (financed by the World Bank);

- with OPAM, for security stock management (FRG), marketing (World Bank), accounting (FAC), training (FAO) and storage technology (U.K.).

As the Project proceeds, monitoring systems are being developed which will help to assess its impact on cereal markets. Retail market prices are being surveyed on a systematic basis in Bamako and seven regional centers, and the survey was recently expanded to include representative rural markets. Food aid movements and OPAM stocks are closely monitored on a monthly basis.

These accomplishments cannot be minimized. At the outset of the Project, food aid to Mali was in crisis. The general feeling among donors was that food aid was merely propping up flawed sector policies and adding to distortions in production incentives. Initial proposals for reform were greeted with widespread skepticism within the GRM. There was doubt that reform could take place without seriously disrupting markets and antagonizing the urban population. This fear is still present but has been systematically assuaged by consistent donor support. Finally, never before had donors been able to coordinate their interventions to the extent of proposing joint support for a specific program of policy change. That the Project has advanced successfully so far demonstrates to the GRM that policy reform can be managed without intolerable political risk, and to donors, the potential benefits of coordination. Nevertheless, much remains to be done.

b) Scope for Further Progress

Donors are in broad agreement about the directions of policy reform over the remainder of the Project. They sometimes differ in their evaluation of the constraints faced by the GRM and of the risks involved in liberalization, however, and may therefore disagree from time to time on the desirable pace and extent of reform. The Mission holds definite views on the major issues arising under the Project, contrary to some other donors which have yet to articulate an overall position. Within the spectrum of informal donor standpoints, the Mission's views are on the side of more privatization and concomitantly of a greater and faster reduction in OPAM's role, size and deficit. The Mission's positions are presented below; many go beyond the donor group's publicly expressed views. Provided the U.S. is willing to contribute food aid to the Project, the Mission believes it can play an important role in helping shape the donor consensus.

One issue on which donors unanimously feel very strongly is



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the need to liberalize the marketing of paddy grown in the four ODR's mentioned earlier, of which the largest by far (as far as rice is concerned) is the Office du Niger (a). A number of cumulative constraints plague these projects: poorly designed and often aging infrastructure leading to lack of water control and drainage problems; poor land leveling; land tenure problems; farmer hostility to the extension authority which is often patronizing and authoritarian; rigid and sometimes crippling farmer levies; obsolete rice threshing and milling equipment; high farmer indebtedness; and finally, low producer prices and a tight control of the irrigation authority over production and marketing.

Given these interlocking constraints, it is likely that liberalization of rice marketing alone will not be sufficient to ensure a significant increase in production, although it would undoubtedly lead to an increase in farmgate prices and hence in rice farmer incomes. For production to increase, technical, institutional and sociological constraints have to be addressed in a package together with marketing liberalization measures. To put it simply, farmers growing rice will not increase production in response to higher prices if the water level in their fields remains poorly controlled, and no price increase will cause them to invest in, say, land leveling, if they are not given security of tenure.

This suggests that rice marketing liberalization has to be undertaken in the framework of a comprehensive overhaul of rice-producing ODR's. These are other compelling reasons for this as well. ODR's now finance their operation and maintenance expenditures through levies in kind on rice farmers. The ODR's also own and operate threshing equipment and rice mills, and derive a significant share of their financial resources from paddy marketing. Marketing liberalization will therefore affect many facets of their activity, and impose a radical change in their funding mechanisms.

The necessary overhaul of rice-producing ODR's will have to be made gradually, and their marketing activities carefully phased down. Private traders do not have the financial and logistic resources necessary to assume overnight marketing of all paddy, and will need time to build them up, as well as to acquire sufficient confidence that liberalization will not be reversed. The phasing down of ODR marketing activities will therefore have to ensure that at no time is there a marketing capability gap which might adversely affect farmers' ability to sell at good prices and threaten to discredit liberalization.

Liberalization of rice marketing will also require considerable adjustment in OPAM's operations. Rice has always

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(a) CMDT is the smallest, accounting for 10 percent of total paddy production, but for less than 1 percent of marketings. It is not included in the following discussions.



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accounted for the bulk of OPAM's purchases and constituted its steadiest source of supply. Rice is also the cereal staple favored most by the urban-based civil servants. When rice marketing is liberalized, therefore, OPAM will have to make prompt adjustments to its traditional purchasing activities, so as not to disrupt its deliveries to its politically most sensitive customers.

From Project inception, the GRM has consistently stated its commitment in principle to paddy marketing liberalization. A recent field trip by the President to the ON has also revealed to Malian leadership the repressive nature of the marketing monopoly and therefore the human rights aspects of liberalization. However, because of the many uncertainties and perceived risks surrounding liberalization, the GRM has until very recently been reluctant to set liberalization in motion.

The GRM's basically favorable disposition towards liberalization as well as its concerns have prompted PRMC and ON donors to propose jointly a comprehensive package of measures intended to alleviate those reservations. The main elements of the proposal are the following:

- farmers would be allowed to sell paddy to whomever they chose, and private traders would be allowed to buy and sell freely at prices dictated by supply and demand;

- the official producer price would become a support price and the ODR's would restrict their marketing role to that of purchaser of last resort.

- donors would make resources from counterpart funds available to the ODR's during a transition period, so as to enable them to pay paddy in cash from the beginning of the harvest and to help finance their adjustment to liberalization.

- donors would provide OPAM with a minimum of 15,000 MT of rice per year, for a period of at least three years, in order to compensate for any drop in OPAM's rice supplies brought about by liberalization.

These joint proposals, underwritten by all donors, were officially communicated to the GRM (see Annex E). They form an important part of the self-help measures retained by the Mission, and of the proposed uses of local currencies, both of which are covered later.

As argued earlier, paddy marketing and pricing policy reform need to be complemented by other measures in order to have a significant impact on paddy production. Projects providing for the necessary combination of capital investments and institution-building and addressing the constraints faced by all rice-producing ODR's in a comprehensive way are either underway or under advanced preparation. The World Bank, FAC, CCCE, FED, the

FRG and Holland are preparing to finance within the next year the first phase of a long-term rehabilitation program of ON. FED lends on-going support, technical and financial, to ORS. The World Bank, CCCE and FAC are about to finance a third ORM project, and lastly, the same donors plus IFAD financed a second CMDT project last year with a component for rice-production. All these donors support paddy marketing liberalization and are prepared to provide the necessary support to address non-marketing constraints to production.

Liberalization of cereal exports is an issue on which donors have not yet focused, both because of the GRM's reluctance to do so as long as Mali has a cereal deficit, and because of the general feeling that at this stage it is a secondary issue. Over the longer term, however, establishing efficient export trade routes could prove an important element in ensuring farm income and cereal price stabilization in surplus crop years.

Of considerable importance are measures to reduce subsidies to the official marketing system, involving a reduction of subsidies to OPAM to cover its deficit and of subsidies to the ODR's provided by the official price schedules. The reduction in OPAM's deficit in the Mission's view will involve a reduction in OPAM's size, a reform of OPAM's pricing policy, and further progress in reducing costs. The reduction of marketing subsidies to the ODR's will be due in great part to liberalization, which will cause a reduction in the volume of cereals moving through the official marketing system.

The reduction of OPAM's size or volume of transactions affects the constituencies with the greatest stake in the current system, and is likely to prove one of the most contentious issues of the Project. Some donors expect OPAM to be able to break even thanks to greater efficiency. The Mission's view is that because of the financial burden of its non-commercial responsibilities, such as managing national food security stocks, and because of the constraints imposed on OPAM by its status as a public enterprise (rigid price policy, constrained hiring, firing and staff compensation policy, unrecoverable claims against public entities, political interference with management, etc), OPAM will not be able to break even in competition with the private sector in a trading activity for which Malians have a deserved continent-wide reputation for efficiency. Reducing OPAM's volume of operations might in effect raise its unit costs because of economies of scale, but is certainly indispensable to reducing OPAM's overall deficit to an affordable level.

As is apparent, the reduction of OPAM's volume of transactions is a sensitive political issue and donors will have to tread carefully so as to gain ground without jeopardizing political support for the Project. Three main avenues are open to reduce OPAM's sales volume, which in all likelihood will have to be pursued concurrently:

- A combination of cereal rationing measures towards civil servants and of cereal official consumer price and public sector salary increases. It is estimated that a 20% increase in cereal prices is roughly equivalent to a real decline of 8% of average civil servant salaries. A 10% general salary increase would probably adequately compensate civil servants for their loss of access to OPAM's products at current official consumer prices. However, the IMF has so far opposed a tradeoff between civil servant salaries and access to cheap cereals.

- The gradual reduction of OPAM's interventions to protect producer and consumer prices, as the private sector becomes more competitive, as OPAM introduces more cost effective intervention mechanisms, and as the Malian authorities gain confidence in the smooth functioning of the private sector. This process could be hastened if private trading activities were better known and actions undertaken to reinforce market mechanisms (credit for trade, for transport, for storage facilities, market infrastructure investments, broader dissemination of market information; development of cooperatives, of consumer organizations, etc.). For instance, OPAM will no longer need to supply the eastern grain deficit area to the same extent, once the Sevare-Gao paved road is completed in 1986 and the private sector steps in to take advantage of the much reduced transportation costs.

A gradual movement of OPAM's price structure towards market prices would have several benefits, in terms first of a reduction of production and consumption price distortions translating into better market signals for resource allocation, and second of substantial reductions in consumption subsidies resulting in lower OPAM's deficits. In particular, within the bounds of administrative and political feasibility (because price setting in Mali as in other countries is regrettably but unavoidably a political process as well as an economical or financial one), price setting must become more discriminating. OPAM currently applies one single fixed price for millet, sorghum and maize throughout the whole marketing year for the whole country. This ignores product differences (the free market sets different prices for different products and different qualities), storage costs (free market prices increase cyclically as the last harvest date recedes), and transportation costs (market prices in remote cereal deficit areas are higher than in accessible surplus areas). OPAM's rigid consumer price structure prevents it from recovering storage and transportation costs, and from taking advantage financially of product and quality differences. The same applies to producer prices: if OPAM, by increasing producer prices in cereal deficit areas, was able to increase its local purchases, it would save itself the cost of transporting a corresponding amount of cereals from surplus areas. In addition, OPAM's uniform producer price may provide a satisfactory



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incentive to producers in the South, but is blatantly insufficient in the 6th and 7th regions where transportation costs inflate the price of production inputs. A gradual movement of OPAM's price structure towards market-determined prices on a regional basis is therefore another important Project objective which the Mission plans to continue to stress in donor deliberations.

Finally, OPAM has to pare costs further as provided in its own program. This will involve further reductions in staff; additional savings in transportation costs through subcontracting to the private sector and further planning improvements in cereal movements and handling; and a further reduction of physical losses, currently estimated at 7 percent. The cost accounting system now in place will help pinpoint areas where additional savings can be made.

The reduction in marketing subsidies to the ODR's will derive from the reduction in official paddy marketing activity brought about by liberalization, as subsidies are proportionate to ODR rice sales. Under the current official price schedules ODR's sell rice to OPAM at a price lower than the price at which they purchase paddy from farmers. They however receive in addition a large subsidy from OSRP per ton of rice delivered which allows them to cover their negative gross margin, to cover transportation, storage and processing costs, and to generate as well a surplus allowing them to cover a share of costs figuring in the schedules but unrelated to marketing activities (see pp. 23-26). Any reduction in ODR rice sales reduces the negative gross margin, reduces transportation, storage and processing costs, and therefore reduces the need for subsidies.

c) Self-help Measures

Section 206 guidelines on self-help measures provide that "food and agricultural policies should be given special consideration", and that "self-help measures should be specific, measurable and additional."

The Project indeed solely concerns itself with food and agricultural policies. On the other hand, the approach of the donors participating in the PRMC is not compatible with a blueprint-type approach on self-help measures. Instead their approach has been to:

- secure the GRM's basic official commitment towards cereals marketing liberalization and reform of OPAM before Project inception;

- actively carry out an ongoing policy dialogue with the GRM and write collectively to the GRM whenever necessary to state donor positions unequivocally, so as to make clear donor expectations, but

- leave it to the GRM to decide when and where it is politically opportune to take the next reform step in the direction of the general objectives of the Project, relying on its overall commitment to reform.

While the donors are confident that significant progress will be made year after year, they are equally aware that the reforms sought are politically highly sensitive, that they are in no position to second-guess the committed partisans of reform within the GRM as to how far and low fast reform can be carried out without jeopardizing the process, and that any attempt to excessively fomalize the policy dialogue is likely to be counterproductive. Instead, the donors see their role as helping the GRM implement its stated objectives, by removing obstacles to change and reducing the perceived risks associated with reform. The best illustration of this approach is the donors' proposal for paddy marketing liberalization.

The donors' approach, however, retains an important element of conditionality. The GRM is well aware that donor commitment to the PRMC hinges on sustained momentum towards liberalization, improvements in cereal production incentives and reductions in OPAM's deficit. While the PMRC does not set specific conditions to its continued support, a failure to sustain the momentum of reform is certain to critically undermine the donors' resolve to maintain their support for the Project, particularly taking into account generally high donor expectations.

The PRMC approach can claim distinct assets:

(i) donor unity . Nowhere else, to the Mission's knowledge, do food donors carry coordination and unity of purpose



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so far as in Mali. Not only do they coordinate food aid planning, as in a few other countries, but in addition they are united in pursuing jointly defined and agreed upon sector policy reform objectives, to the point of pooling local currencies and using them for common purposes in support of the Project, rather than, as is often the case, each donor on its own promoting bilateral goodwill. Conversely, it is clear that donor unity hinges on some degree of flexibility on behalf of individual donors.

ii) a proven track record. PRMC achievements were described earlier. These achievements can be credited to the Project's approach.

The Mission therefore proposes an approach which it believes to be designed to achieve maximum US leverage on cereals marketing reform without detracting from the approach successfully adopted by the PRMC. Specific benchmarks are proposed related to the three main self-help objectives of the Project: cereals marketing liberalization, improved production incentives and a reduction in subsidies to the marketing system. The two annual evaluations will determine the appropriate quantity of rice to be provided in the following year on the basis, first of the extent to which the benchmarks have been met, which will be measured through a set of monitoring indicators, and second of Mali's need for aid in that particular year. Indeed, although this is not likely, it cannot be excluded that with good rains Mali would have a food surplus, in which case, regardless of performance with respect to the benchmarks, the Mission would not recommend providing Mali with food aid in that particular year.

Specifically, the US will provide:

- 10,000 MT of rice in FY 84 on the basis of PRMC accomplishments so far, of Mali's very large food deficit in 83/84, as well as in order to improve the prospects for paddy marketing liberalization in 84/85.

- between 0 and 10,000 MT of rice in FY85 and in FY86 depending on the outcome of the first and second annual evaluation, not to exceed 15,000 MT in the aggregate over the two years.

The total quantity of rice provided over the 3 years of the program would therefore not exceed 25,000 MT.

Table 12 presents the proposed benchmarks and monitoring indicators. To the extent possible, the monitoring indicators are quantified. Precisions on some of the indicators are presented in Annex F.

Table 12: Self-Help Objectives, Benchmarks and Monitoring Indicators

| Self-Help Objectives | Benchmarks | Monitoring Indicators |
|---|---|---|
| CEREALS MARKETING LIBERALIZATION | . maintenance of coarse grains marketing liberalization | . absence of legal or regulatory measures unnecessarily restricting private domestic coarse grains trading activities, including rice imports. Both evaluations. |
| | . maintenance of rice imports liberalization | . interviews with sample of traders on trading restrictions. Both evaluations. |
| | . abolishment of ODR paddy purchasing monopoly | . review of ODR internal documentation on marketing arrangements for current marketing year. Both evaluations.<br>. interviews with sample of farmers. Both evaluations.<br>. removal of reference in Cereals Marketing Decrees to OPAM monopoly on paddy production in 4 rice-producing ODR's. Both evaluations.<br>. ratio of levies paid in cash over levies paid in kind during previous marketing year to exceed 10%. Second evaluation (see note No.1 in Annex F).<br>. ratio of production marketed by ODR to total production to be at least 20 percent less than comparable ratio over past five years. Second evaluation (see note No.2 in Annex F). |
| | . abolishment of ODR milling monopoly | . Interviews with private millers, traders<br>. review of ODR marketing regulations. |

Table 12 (continued)

| Self-Help Objectives | Benchmarks | Monitoring Indicators |
|---|---|---|
| HIGHER PRODUCTION INCENTIVES | . producer prices to be announced each year prior to planting period. | . publication of producer prices in l'Essor prior to May 15. Second evaluation. |
| | . consultation with PRMC donors prior to announcing producer prices | . presence of PRMC representative in Technical Commission. Second evaluation. |
| | . producer prices to cover production costs | . producer prices to be higher than IER indexes of production costs. Second evaluation. (See note No.3 in Annex F). |
| | . systematic collection of cereal prices in a representative sample of urban and rural markets. | . availability of 10-day interval (urban) or monthly (rural) price series for each cereal for previous marketing year. Both evaluations. |
| | . improvement of non-price production incentives in rice-producing ODR's. | . review of internal measures taken by ODR's in 84/85 (first evaluation) and 85/86 (second evaluation) marketing years, such as: improved security of tenure; introduction of more flexible levies; transfer to farmer groups or private sector of tasks currently assumed by ODR (threshing, marketing, etc.). |
| | . improvement in quality of agricultural production statistics | . agreement between GRM and donor(s) by end 1985 on comprehensive package involving specific actions and their financing to upgrade agricultural production statistics. |

Table 12 (continued)

| Self-Help Objectives | Benchmarks | Monitoring Indicators |
|---|---|---|
| REDUCED MARKETING SUBSIDIES | . consultation with PRMC donors prior to setting official price schedules. | . presence of PRMC representative at Barème Commission. Both evaluations. |
| | . official consumer prices to be set so as to allow a reduction in subsidies to marketing system. | . OPAM income statement projections for current marketing year to show reduction in deficit net of subsidies to less than MF 1.2 billion in 84/85 (first evaluation), and to less than MF 1.0 billion in 85/86 (second evaluation, see note No.4 in Annex F).<br>. projections of subsidy payments provided by official price schedules to show reduction of subsidy payments (excluding OPAM) to less than MF 1.5 billion in 84/85 (First evaluation) and to less than MF 1.2 billion in 85/86 (Second evaluation, see note No.5 in Annex F). |
| | . introduction of seasonal official consumer prices by 84/85 marketing year. | . mid-season increase in official consumer prices in 84/85. Second evaluation |
| | . cost reductions in OPAM | . OPAM to reduce lower level staff by at least 50 in 1984 (first evaluation) and 50 more in 1985 (second evaluation)<br>. reduction in OPAM's truck fleet to 18 by end 1984. First evaluation.<br>. reduction in cereal losses to less than 6% in 83/84 (first evaluation) and to less than 5% in 84/85 (second evaluation). |
| | . maintenance of indispensable technical assistance | . maintenance of the technical assistance currently financed by the World Bank and FAC within the Ministry of Economy and Plan and OPAM. |

Each evaluation will report on compliance with the benchmarks. The Mission's evaluation of overall compliance along with its estimate of food aid needs in that particular year would determine the next year's Section 206 food aid installment.

As to whether the self-help measures are additional and depend on a U.S. contribution, the following can be said: the principal element of the donors' proposal to the GRM for paddy marketing liberalization is their commitment to provide 15,000 MT of rice per year for three years, to compensate OPAM for a possible reduction in its domestic rice purchases and to permit it to maintain stability in critical consumer markets. The U.S. is one of only two donors able to commit itself to providing rice, the other being WFP. In addition, the U.S. is perceived among donors as one of those most in favor of liberalization. Failure by the U.S. to contribute rice to the PRMC would seriously damage the credibility of the donors' proposal in the eyes of the GRM.

d) Local Currency Uses

PRMC policy towards local currency uses derives from the Project's focus on policy dialogue. In order to increase their leverage and anchor their solidarity, the donors unanimously agreed that:

i) funds generated by food aid contributed by PRMC donors would be pooled, although they would be accounted for separately;

ii) any utilization of funds from the pool (called the Counterpart Fund or CF) would have to be approved by all donor field representations, and would be drawn from donor contributions on a prorated basis, and

iii) financing of measures helping facilitate policy reform would have first call on counterpart funds.

Movements of the CF are summarized in the following table.

Table 13: Counterpart Fund Movements (MF Billions)

| | 81/82 (act.) | 82/83 (budg.) |
|---|---|---|
| (1): CF inflows | 1.7 | 5.4 |
| (2): Reduction of OPAM deficit | 0.9 | 1.0 |
| (3): Paddy marketing | - | 2.0 |
| (4): Commercial cereal imports | - | 1.0 |
| (5): Security Stock | - | 1.2 |
| (6): CF outflows [(2)+(3) + (4)+(5)] | 0.9 | 5.2 |
| (7): Unallocated [(1)-(6)] | 0.8 | 0.2 |

Source: PRMC

The earliest utilization of the CF was to cover OPAM's residual deficit after subsidies from other sources (item (2)). This results from an initial donor commitment to help OPAM remain solvent in exchange for the GRM's commitment:

(i) to liberalize coarse grain marketing;

(ii) to rapidly increase official cereal producer prices to the level of production costs;

(iii) to progressively increase consumer prices and take various other measures to reduce OPAM's overall deficit, including a program of management upgrading with the help of technical assistance.

All these commitments having been fulfilled, the donors expect to continue to help cover OPAM's deficit for the remainder of the Project, although on a declining basis as OPAM's deficit is reduced further. The Mission proposes to use its local currencies for this purpose in the same proportion as other donors, starting in 83/84 with the US emergency food aid contribution channelled through the PRMC (see p.36).

A second utilization of local currencies was the importation of about 6,600 MT of millet from Thailand after international competitive bidding (a). This was agreed by the donors in early 1984 as it was realized that Mali had insufficient food stocks to avoid a critical shortage during the period prior to delivery of 1983/84 food aid commitments. Although the Mission believes this decision was abundantly justified by later events, it appears that such imports would not be compatible with U.S. legislation and if the donors were to repeat such an utilization, the Mission would require that no local currencies generated by U.S. food aid be used for this purpose.

The donors have also decided to earmark MF 1.2 billion to help fund replenishments of the Security Stock through local cereal purchases. The money would be transferred to a Security Stock account and would be used as the Security Stock is being rotated over the next marketing year. The Mission believes a good case exists for an actual increase in the size of the Security Stock through local purchases. However, in its view, OPAM must first develop a policy fully integrating management of the Security Stock into its overall stock management, while preserving necessary safeguards. A study carried out under FRG financing - the FRG has been contributing to the Security Stock for more than five years - is expected to lay the necessary groundwork. Provided other donors agree and OPAM makes satisfactory adjustments to its stock management policy, the

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(a) The Malian Franc is tied to the French Franc and is fully convertible.



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Mission would support such a use for local currencies in future years, on the basis of the necessary feasibility analysis which would have to precede such a decision.

Another MF 2 billion of funds generated by 82/83 food aid were earmarked for 83/84, in substitution of regular OSRP funding for paddy marketing by the ODR's as provided by the official price schedules, contingent on agreement between donors and the GRM on paddy marketing reform. The donor proposal for paddy marketing liberalization was made in this context. In this proposal (see p. 41), the donors proposed to use local currencies in subsequent years to help ease the transition between a monopoly situation and a free market. Over a 3-year period and on an annually declining basis, the Counterpart Fund (CF) would be used to assist rice-producing ODR's financially and to compensate for their loss of marketing revenues until alternative financial mechanisms are found.

The specific mechanisms and safeguards governing the release of local currencies from the CF for these purposes will be established following technical discussions to be carried out between food aid donors, donors sponsoring rice-producing ODR's and the GRM prior to the paddy harvest following the GRM decision to liberalize. These technical discussions will cover all aspects of implementation of paddy marketing liberalization. The donor position on the financial arrangements is that financial assistance to paddy marketing liberalization must be on a yearly declining basis, with the objective of phasing out by the end of 1986/87.

It is also anticipated that part of local currencies to be generated from 1983/84 onwards, which would become available beginning in mid 1985, would be needed to finance an expansion of BNDA's agricultural credit activities into rice-producing ODR's. The donors are planning to appraise the need for such an utilization in the near future.

The following table sets out orders of magnitude for total PRMC local currencies, and for foreseeable uses, including projections of the U.S. contributions based on the assumption that 10,000 MT of Section 206 food aid would be provided in FY 84, and 7,500 MT both in FY 85 and FY 86.

Table 14: Counterpart Fund Utilization on a commitment basis.

| | 81/82 | 82/83 | 83/84 | 84/85 | 85/86 | 86/87 | TOTAL |
|---|---|---|---|---|---|---|---|
| Annual inflows into the CF | 1.7 | 5.4 | 10 | 6 | 6 | 6 | 35.1 |
| (of which: U.S. share) | (0.1)[a] | (0.0) | (1.0)[b] | (1.9) | (1.6) | (1.6) | (6.2) |
| Uses - OPAM support | 0.9 | 1.0 | 0.9 | 0.8 | 0.6 | 0.3 | 4.6 |
| - Paddy marketing support | - | 2.0 | 1.8 | 1.5 | 1.0 | 0.5 | 6.8 |
| - Security Stocks | - | 1.2 | 3.0 | 1.0 | 1.0 | 1.0 | 7.2 |
| - Commercial food imports | - | 1.0 | - | - | - | - | 1.0 |
| - Agricultural credit | - | - | 2.0 | 1.0 | 1.0 | 1.0 | 5.0 |
| Residual | 0.8 | 0.2 | 2.2 | 1.7 | 2.4 | 3.2 | 10.5 |

Source: USAID estimates, PRMC.

[a] This amount was paid by Mali as settlement of a problem related to food aid provided by the U.S. in 78/79.
[b] Corresponding to the 5,000 MT of rice provided as emergency food aid earlier this year.

Alternative and additional utilizations are conceivable, the only limitation having been set by the PRMC so far being that activities to be financed out of local currencies must fall within the Food Strategy (a).

This will make it necessary for the Mission to remain flexible as to the utilization of the US share of the Counterpart Fund. Decisions would have to be made in the field, on the basis of unanimous donor agreement. The Mission would only give its approval for any utilization of the Counterpart Fund involving the use of local currencies generated by U.S. food aid, provided it is satisfied that such utilization meets corresponding P.L. 480 Title II Section 206 dispositions and AID/W corresponding guidelines.

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(a) Studies and technical assistance have also been excluded, however, on the grounds that donors feel that sufficient bilateral funds are available for this purpose, that would be a more appropriate source of funding.

## D. ECONOMIC AND SOCIAL ANALYSIS

Progress towards marketing liberalization, better production incentives and a reduction of marketing subsidies all would bring about significant economic and welfare benefits. However, this conclusion will have to rest on general economic theory and on relevant research conducted elsewhere in Africa, rather than on a specific quantified analysis.

It is not yet possible to demonstrate on a factual basis that coarse grain marketing liberalization has brought about an increase in coarse grains production, nor even that it has caused an increase in farmgate prices. Liberalization is only three years old, three years which include one year each of average, poor and bad rainfall. It would be difficult to disentangle the effect of liberalization on prices from the effect of supply fluctuations brought about by climatic changes, even if good price series existed. Actually, because the existence of private trade was not officially acknowledged prior to liberalization, no effort was made to collect producer price data since official prices were (wrongly) assumed to prevail. It is however intuitively clear that the removal of restrictions on trade, the legal interdiction of which tooks the form of numerous road blocks thrown by the economic police, police raids on urban traders, confiscations, fines and jail sentences, or alternatively the need to bribe enforcement officials, that the removal of these restrictions significantly reduced the cost of trading. The benefits of the reduction in trading costs must have been shared in unknown proportions between traders, consumers and producers. It is not unreasonable to believe that some of these benefits took the form of higher farmgate prices.

The supply response to higher prices is unresearched in Mali. The literature on the economic behavior of farmers in Africa and the existence of a general surplus of land in Mali however suggest strongly that the price elasticity of supply is positive. This is clearly however a priority area for economic research in Mali, which USAID intends to undertake over the next few years, as it has important implications for Mali's potential agricultural growth.

Similarly, paddy marketing liberalization is likely to bring about an increase in farmgate prices, but the actual magnitude cannot be predicted on the basis of available data. Indeed considering that rice imports are liberalized and that Mali is a substantial importer, local rice market prices will be dictated by import prices. The World Bank calculates that import parity paddy prices in the Mopti area are of about MF180/kg the private market price about MF150/kg, and the official price MF120/kg. The same relative ranking is found in Ségou, the reference point for ON. Liberalization can therefore be expected to result in market prices higher than current official prices.

The reduction of subsidies to the marketing system will involve efficiency gains which will accrue to the GRM at nobody's cost, and transfers from relatively high-income consumers (OPAM's customers) to the GRM. To the extent that GRM income has a very high opportunity value considering the underfunding of high-priority recurrent costs, this ought to result in a net social gain to the economy, provided the savings are correctly allocated (i.e. not for salaries). The existence of a Standy Agreement with the IMF and the GRM's recent record on economic management must provide some confidence in this respect. (see Annex B).

The main beneficiaries of the PRMC are cereal farmers, accounting for the near totality of rural households which, as mentioned in Annex B account for by far the largest proportion of the poor. Through liberalization and increased official producer prices, they have gained options previously unavailable and have seen their incomes increase, in a welcome reversal of the urban-biased policies of the past.

Other clear beneficiaries under the PRMC are the cereals traders. They, of course , do not rank among the underpriviledged. The benefits they receive from the PRMC derive from the removal of restrictions to their activity and correspond to the performance of a function vital to the economy. PRMC donors are however also aware that traders' power to manipulate markets to their advantage must be kept in check, and that OPAM must retain the means to intervene in cereals markets for that purpose.

The main potential losers under the PRMC are the urban-based civil servants and others benefitting from access to OPAM cereals at below market prices. These also happen to amount to the single most important political constituency in the country and account for the near-totality of Malians with a higher education. PRMC donors are aware that there are limits to the erosion of their purchasing power that they will be willing to accept, and that increases in consumer prices will have to be accompanied to some extent by salary increases. The very political feasibility of the PRMC is at stake.



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## E. COMMODITY SELECTION AND LEVELS

The Project's principal and most immediate objective is paddy marketing liberalization, in the framework of the PRMC donors' overall proposal presented on page 43. This proposal calls for a 3-year donor commitment to provide 15,000MT of rice per year, so as to ensure that while the market is being liberalized, OPAM does not run short of the rice it needs to keep supplying its customers, and therefore to remove the political risk of liberalization perceived by Malian leadership. As mentioned earlier, the US is one of only two donors able to make a commitment to provide rice. The PID had already recommended the provision of rice; developments on paddy marketing liberalization confirm and strengthen the case for providing rice, which is recapitulated below.

An unknown but certainly very high proportion of paddy (perhaps as high as 80%) marketed in Mali is marketed at official prices. These official prices will become floor prices as paddy marketing is liberalized, and during at least a 3-year transitional period ODR's will remain willing to purchase paddy at floor prices, if farmers are unable to obtain better conditions from traders. Farmgate prices will therefore be effectively shielded against any detrimental effect food aid in the form of rice might have on paddy prices and on paddy production incentives.

Rice accounts perhaps for 40% of cereals consumed in urban areas (20% of total population) and 10 to 20% of cereals consumed in rural areas (80% of total population). Provided it can remove the constraints affecting rice production , among which rice marketing policies rank high, Mali could significantly raise rice yields and acreage, and in all likelihood reach self-sufficiency on a sustainable basis. The provision of rice will therefore not contribute to creating an imbalance between cereal consumption patterns and domestic production potential, as would have been the case for wheat for instance.

The proposed levels of annual U.S. food aid contributions were established so as to enable it to make a usefull contribution to the PRMC and provide it with sufficient leverage and standing among donors. Taking this into account, USAID proposes to provide 10,000 MT of rice in FY 84, and up to 15,000 MT of rice between FY 85 and FY 86, depending on the outcome of the first and second yearly evaluation of the Project to be carried out by USAID. The cumulative US contribution would therefore not exceed 25,000 MT of rice for a cost of about $15.3 million, including costs of delivery to the point of entry. This would establish the US among the large donors, in perhaps fourth or fifth position overall, but account for about 55% of the donors' pledge under their proposal for paddy marketing liberalization, the balance of which could be provided by the WFP.

The Mission believes it would be appropriate for the US to provide 10,000 MT of rice in FY 84 because of the very large 83/84 production deficit (see p.p. ) and the need to replenish OPAM's stocks which are certain to be severely depleted by the time the rice is delivered, and because of the good prospects for an early GRM decision to liberalize paddy marketing. In addition, the US would be marking its support for the PRMC and its satisfaction with progress accomplished so far.

The level of the US contribution in FY 85 and FY 86 would not exceed 15,000 MT in the aggregate and would be determined on the basis of:

- harvest estimates,
- projected other donor contributions,
- The Mission 's two annual evaluations of GRM compliance with the benchmarks presented in Table 12.

Usual Marketing Requirement (UMR). PL480 legislation requires that reasonable precautions be taken to ensure that PL-480 commodities do not displace the recipient country's normal commercial imports from the United States or other countries friendly with the United States. The UMR of a given commodity is defined as the average of the previous five years' commercial imports from Free-World supplies.

Rice is imported commercially by private traders and, in limited quantities, by OPAM. The Mission calculates that commercial rice imports over the last 5 years amounted to 50,000 MT on average.

On this basis, the Mission proposes that an UMR be imposed for the import of not less than 50,000 MT of rice from Free-World suppliers during the life of the Section 206 program, namely for FY84, 85 and 86.

The Bellmon Determination. The Bellmon Determination was made in the PID.



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## F. FINANCIAL PLAN

### 1. Summary funding sources

The following table provides an estimate of the counterpart funds to be generated by U.S. food aid, as well as a break-down of OPAM's transportation, handling and overhead costs. The timing of availability of local currencies is not critical to achieveing the objectives of the Project, as the donors' overall management of the Counterpart Fund can provide for appropriate contingencies.

Table 15: Local Currencies to be generated by U.S. food aid (MF millions)

| | | Gross proceeds | Transport. | Handling | Overhead | Net Proceeds |
|---|---|---|---|---|---|---|
| FY 84 | 5,000 MT emergency | 1,107 | 33 | 16 | 88 | 970 |
| FY 84 | 10,000 MT Section 206 | 2,214 | 66 | 32 | 176 | 1,940 |
| FY 85 | 7,500 MT Section 206 | 1,761 | 53 | 26 | 132 | 1,550 |
| FY 86 | 7,500 MT Section 206 | 1,863 | 58 | 28 | 132 | 1,645 |
| Total | | 6,945 | 210 | 102 | 528 | 6,105 |

Assumptions: 10% losses; selling price: MF246/kg in 83/84, MF261/kg in 84/85 and MF276/kg in 85/86. Domestic annual rate of inflation:10%.

### 2. Financial management

OPAM's financial management of local currencies generated by food aid sales was a major source of dissatisfaction to food aid donors prior to the PRMC, and one of the areas in which it sought to make improvements. From the outset, PRMC donors insisted on a considerable upgrading of OPAM's management and accounting capabilities through technical assistance and training, including in particular for accounting (1 chief accountant financed by FAC) and for marketing management (1 marketing expert financed by the World Bank). In addition, to strengthen their own collective capability to monitor food aid and local currencies, a Projet Coordinator was appointed (employed by WFP) whose main responsibility is to closely follow OPAM's reporting and serve as a channel between OPAM and the donors to ensure that donor requirements for accountability are met. This considerably reduces the administrative burden on individual donors and on OPAM, particularly as it has allowed a degree of standardization among donor prodedures, each of which however remains free to conduct his own checks and satisfy his specific requirements. Having been established more than two years ago, the system, which is described below, has been operating since to the satisfaction of all donors.

Prior to delivery of a programmed food aid shipment, OPAM prepares a distribution plan specifying the detailed allocation of the shipment, estimated losses, estimated sales and gross proceeds and estimated OPAM handling, transport and overhead costs.

Upon delivery, OPAM, the shipper and a representative of the donor perform a quality and quantity discharge survey. Each truck is weighted and the contends graded. Spoilage is segregated and either reconditioned or destroyed and the results of the survey are consigned and attested to by all parties.

Thereafter and until completion of sales, OPAM reports quarterly to individual donors on food aid transfers, losses and sales. In addition, OPAM's annual inventory is submitted to all donors for information and a final report is communicated to each donor, detailing the final disposition of his food aid and accounting for gross proceeds and OPAM costs.

As explained earlier, OPAM is allowed to deduct its expenses from gross proceeds before depositing local currencies in the Counterpart Fund, as the donors recognize that acting otherwise would unnecessarily strain OPAM's liquidity. The system operates as follows. Losses are budgeted at 10% (actually in 81/82, the first Project year, they amounted to less than 5%). Gross proceeds are calculated by multiplying quantities net of losses by official prices. Transport and handling charges are estimated on the basis of historical data. Overhead costs are prorated, on the basis of total projected OPAM sales as per its annual Cereals Marketing Plan, and of budgeted overhead costs. Estimated costs are deducted from gross proceeds as sales take place. Prior to final settlement, however, costs are adjusted to reflect actual documented expenses and OPAM's certified financial statements. Deposits are made in the form of checks remitted to the Donor Coordinator. The latter accounts separately for each donors' local currencies, but deposits are pooled in the Counterpart Fund. The following table compares estimates with results for 81/82.

Table 16: PRMC local currencies, 1981/82 (MF millions)

| Donor (commodity) | Gross Proceeds | | OPAM Costs | | Net Proceeds | |
|---|---|---|---|---|---|---|
| | Est. | Act. | Est. | Act. | Est. | Act. |
| France (maize) | 504 | 554 | 331 | 214 | 173 | 340 |
| FRG (maize) | 605 | 637 | 278 | 319 | 327 | 318 |
| EEC (maize) | 706 | 543 | 391 | 270 | 315 | 273 |
| EEC (rice) | 561 | 598 | 127 | 95 | 434 | 503 |
| Canada (maize) | 514 | 312 | 141 | 153 | 373 | 159 |
| U.K. (rice) | 177 | 185 | 26 | 27 | 151 | 158 |
| Total | 3,067 | 2,829 | 1,294 | 1,078 | 1,773 | 1,751 |

Source: OPAM, PRMC.



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Thus, net proceeds came within 1.1% of initial estimates. Differences are accounted for by several factors. Gross proceeds came out somewhat lower than estimated because lower than estimated losses (4.8 instead of 10%) and higher selling prices (some sales took place in OPAM's 82/83 fiscal year) were more than offset by the unanticipated need to sell some poor quality maize at below official prices. The slight resulting shortfall in gross proceeds was nearly entirely made up by transportation cost savings.

As mentioned earlier, the Counterpart Fund has only been used so far for two purposes: to reduce OPAM's deficit and to import approximately 6,600 MT of sorghum commercially. Payments to OPAM are made according to certain principles and on certain conditions (see Section C.3.d), on the basis of OPAM's certified financial accounts prepared with the help of technical assistance. Sorghum imports are fully documented and the records are available for donors to audit. Prior to giving its approval to any future other utilization of the Counterpart Fund, the Mission will ensure that appropriate dispositions are taken to ensure proper financial management.

### 3. Recurrent Cost Implications

The PRMC as it now stands has not generated any additional recurrent costs. On the contrary, it has been helping the GRM meet OPAM's recurrent costs on a declining basis.

By reducing the amount of subsidies going into the marketing system and by increasing the tax basis by increasing farmer incomes and through increased cereals production, the PRMC will on the contrary help the GRM enlarge the tax basis and generate more resources to cover recurrent expenditures.



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G. IMPLEMENTATION PLAN

For the first 10,000 MT rice shipment, the proximity of the end of FY84 will dictate the timing of delivery in Mali. Thereafter, the main considerations dictating the optimal timing of food aid deliveries are the following:

(i) Call forwards are one of the end-products of the annual evaluation. The annual evaluation must take place after OPAM has issued its annual Cereals Marketing Plan (November), after the GRM has issued its Cereals Marketing Campaign Decree (December), and after OPAM has issued its projected income statements for its upcoming fiscal year (December). In addition, the evaluation must take place after PRMC donors have issued own their evaluation (December).

(ii) food aid must be in place before the onset of the rainy season, so as to reduce the risk of spoilage of commodities in transit and to avoid transportation problems on dirt roads.

(iii) the timing of food aid deliveries within the course of a particular fiscal year is less critical to the generation of local currencies, as appropriate contingencies are built into the Counterpart Fund to ensure that sufficient funds are available to meet requirements at any point in time.

These considerations dictate the following annual cycle of actions:

JANUARY. Annual evaluation, and delivery to AID/W of evaluation report and call - forward order.

APRIL. Arrival of commodities in port of discharge.

MAY-OCTOBER. Sale of commodities, and deposit of local currencies in Counterpart Fund.

An indicative schedule for the use of local currencies is shown in Section C.3.d. However, its finalization is dependent on agreement among donors and the outcome of technical discussions to be held PRMC donors and the GRM to set up the modalities of local currency uses in support of paddy marketing utilizations and other program activities.

USAID/Bamako currently employs a PSC Food Monitor to supervise emergency food aid activities. Other than an extension of his contract (for which the Mission however currently does not have funds), no additional assistance to the Mission is needed. Provisions therefore needs to be made in USAID/Bamako's OB for about $45,000 a year for 3 years beginning in FY85.



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## H. MONITORING AND EVALUATION PLAN

The Mission proposes to use the PRMC annual evaluation report as the starting point for its own Section 206 program evaluation. Respective responsibilities of the GRM, the PRMC and the Mission in the conduct of the evaluation are spelled out below.

### GRM Responsibilities

The GRM would have OPAM make available to the evaluation team a current report on Section 206 commodity stocks, sales and losses as well as on OPAM related costs and local currency generation. The GRM would also make available to the evaluation team its latest Cereals Marketing Campaign Decree, IER's latest representative farm budgets, and OPAM's projected income statements over its current fiscal year.

### PRMC Responsiblities

The PRMC would have its annual evaluation report available at the time of the evaluation.

### Mission Responsibilities

The Mission would systematically collect during the year the data generated by the PRMC, the GRM and OPAM, so that no data collection would be necessary during the evaluation mission itself. By November each year, the Mission would request from AID/W any outside assistance it may need to carry out the evaluation. The evaluation itself would consist of interviews with GRM and OPAM officials as well as PRMC donor representatives, as well as field trips as necessary to rice producing ODR's. The Mission would prepare the evaluation report which would be forwarded to AID/W by end-January and would be shared with the GRM and PRMC donors. The Mission would also prepare a call forward for the commodities programmed for the year, as well as shipping instructions.

# FOOD SUPPLY AND DEMAND SITUATION

## 1. Production

The following analysis uses the production statistics of the Ministry of Plan (a), which are broken down by region. Regional cereal production (coarse grains and rice) per capita between 1976 and 1981 (the last year available) is the following:

Table 1: Regional Cereal Production per Capita:1976-1981

| Region | 1977-81 av. prod. (000 MT) | 1977-81 av. per cap.prod (kg/cap.) |
|---|---|---|
| Kayes (1st Region) | 129 | 137 |
| Koulikoro (2nd Region) [b] | 125 | 125 |
| Sikasso (3rd Region) [b] | 152 | 129 |
| Ségou (4th Region) | 369 | 317 |
| Mopti (5th Region) | 209 | 173 |
| Gao/Timbuktu (6th and 7th) | 25 | 29 |
| National Average | 1,011 | 147 |

Source: Tables A-1 to A-8.

Cereals are of course not the only source of food. Milk and meat are the major source of food in the 6th and 7th regions, a significant source in the 5th region, and a smaller but non negligible part of the daily diet in other regions. Fish also plays a locally important part, particularly in the 5th region. Nevertheless, cereals are estimated to contribute about 70 percent of calories on average to the Malian population. As they also constitute the major part of the concept of "food security", the analysis will be confined to cereals.

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(a) There are two official agricultural production statistical series in Mali, one from the Ministry of Plan and one from the Ministry of Agriculture. They are often widely divergent (see Table A-10) in a given year, but yield roughly comparable results over a period of time.

[b] Figures for the 2nd and 3rd regions appear surprisingly low, in view of these regions' good production potential and from observations of local prices and interregional trade flows. The U.S. Mission believes that statistics underestimate cereals production in both zones.



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Among cereals, millet and sorghum are in first place by far. Only in the 6th and 7th regions is paddy more important. Paddy is also locally important in the 4th and 5th regions where the major irrigation projects are located. Finally, maize is of significant -- and growing -- importance in the South (2nd and 3rd regions) where rainfall is higher.

Taking into account the large variations in production brought about rainfall fluctuations, the underlying trends, whether of areas under cultivation or of yields, do not display any marked tendency.

2. Trade and Flows

The directions of interregional and local border trade are displayed in map No. 4 in Annex I, based on infomation reported by OPAM (the cereal marketing agency) local agents. As would be expected from the production per capita figures mentioned earlier, the first, sixth and seventh regions are net recipients from other areas. Local exports to neighbouring countries such as Mauritania and Upper Volta, as well as imports from Sénégal, although illegal and unrecorded, are known to have been substantial in the past. Recently, these flows have however been occasionally reversed depending on local production fluctuations.

Finally, cereal imports, including food aid, appear in the following table:

Table 2: Official Cereal Imports, 1977-1981 (000 MT)

| | 77 | 78 | 79 | 80 | 81 |
|---|---|---|---|---|---|
| Rice | 0 [a] | 21 | 45 | 47 | 51 |
| Maize | 0 | 17 | 34 | 10 | 23 |
| Wheat | 0 | 2 | 4 | 6 | 9 |
| Wheat flour | 35 | 35 | 35 | 40 | 40 |
| Millet/sorghum | 0 | 0 | 2 | 0 | 0 |
| Total | 35 | 75 | 120 | 103 | 123 |
| (of which food aid) | (0) | (46) | (47) | (15) | (33) |

Source: Table 1.4 in Annex H.

[a] Note: rice exports of 33,000 MT were recorded in 1977.



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A very large but essentially unknown factor in cereal flows is private storage, especially on-farm (a). Any analysis carried out on the basis of annual production statistics cannot ignore that there are very substantial interannual transfers through private - and to a smaller extent public -storage, which help smooth out large annual fluctuations in cereals availability. Over a period of five years, however, net stock movements can be assumed to be negligible relative to aggregate production or consumption figures.

### 3. Post-harvest/Processing losses

An important but poorly known final destination of cereals are post harvest losses. A figure of 3 percent of production is normally used by GRM but it does not rest on statistical measurements. The U.S. Mission believes the figure to be higher but the conservative GRM figure is used in the analysis.

It is estimated that about 10 to 15 kg of seeds per ha are needed for coarse grains and 70 to 100 kg/ha for paddy. This can vary depending on rainfall patterns which sometimes impose repeated sowing.

Processing losses can be crudely estimated, but cereals availability is most often measured in Mali in terms of unprocessed grains, except for paddy where a 62 percent conversion ratio is used which, while poorly documented, appears realistic.

Finally, a small amount estimated at 2 percent of millet-sorghum production is not used for human food consumption. Losses, seeds and non food uses are estimated to account for roughly 10 percent of production.

### 4. Food self-sufficiency and availability

As a norm for cereal consumption on the basis of minimum nutritional needs and taking into account other sources of food, the GRM uses a figure of 184 kg per capita broken down into 155 kg of coarse grains and 29 kg of rice. Other norms for Mali put forward by FAO and UNICEF vary from 200 to 210 kg/capita. The GRM's figure appears therefore to be on the low side; it will nevertheless be used for purposes of measuring cereal availability. The following table is drawn from information mentioned earlier. It shows cereals availability per capita for consumption, both excluding and including imports.

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(a) In 1985 FAC is planning to finance a study of on-farm and village storage.



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Table 3: Malian Cereals Self-Sufficiency and Availability.

| | 77 | 78 | 79 | 80 | 81 | Average |
|---|---|---|---|---|---|---|
| Cereal availability/capita | | | | | | |
| from domestic production | 141 | 163 | 137 | 119 | 103 | 132 |
| (% of GRM norm) | 77 | 88 | 75 | 64 | 56 | 72 |
| including imports | 146 | 174 | 156 | 134 | 120 | 144 |
| (% of GRM norm) | 79 | 95 | 85 | 73 | 65 | 78 |

Source: US Mission calculations.

It is clear that Mali is a long way from self-sufficiency. Domestic production on average only secured 72 percent of a conservative estimate of minimum national needs. Even including food aid and other imports, the proportion only rises to 78 percent, and an important gap remains. This is corroborated by local nutrition surveys carried out over the same period (1), which find much evidence of widespread malnutrition in Mali, even though rarely in its acutest forms.

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(1) See Jacqueline Mondot-Bernard et Michel Labonne, Satisfaction des Besoins Alimentaires: Le cas du Mali en l'an 2000, OCDE, 1982 and Michel Autret, La Situation nutritionnelle et alimentaire au Mali, UNICEF, 1981.

Table A-1: Population by Regions (000)

| | 1977 | 1978 | 1979 | 1980 | 1981 |
|---|---|---|---|---|---|
| Kayes | 894 | 917 | 940 | 963 | 987 |
| Koulikoro | 954 | 979 | 1,003 | 1,027 | 1,052 |
| Sikasso | 1,125 | 1,153 | 1,182 | 1,211 | 1,241 |
| Ségou | 1,109 | 1,137 | 1,166 | 1,195 | 1,226 |
| Mopti | 1,157 | 1,185 | 1,215 | 1,245 | 1,276 |
| Timbuktu | 502 | 515 | 528 | 541 | 554 |
| Dist. of Bamako | 434 | 448 | 462 | 478 | 494 |
| Mali | 6,557 | 6,724 | 6,895 | 7,070 | 7,249 |

Source: Ministry of Plan, Statistical Yearbooks.



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Table A-2 - Production Estimates, Major Cereals, National Totals

All Regions

| | | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 5-year Average |
|---|---|---|---|---|---|---|---|
| Millet/sorghum | A | 873,485 | 967,643 | 963,340 | 953,675 | 1,304,257 | |
| | Y | 951 | 994 | 945 | 782 | 543 | |
| | P | 830,674 | 961,478 | 910,221 | 745,558 | 708,288 | 831,244 |
| Paddy | A | 175,448 | 244,162 | 111,674 | 242,534 | 142,823 | |
| | Y | 1,441 | 1,311 | 1,417 | 1,041 | 872 | |
| | P | 252,786 | 320,073 | 158,293 | 252,372 | 124,555 | 221,616 |
| Maize | A | 37,453 | 60,083 | 42,621 | 45,535 | 51,846 | |
| | Y | 1,109 | 910 | 1,002 | 660 | 823 | |
| | P | 41,530 | 54,669 | 42,713 | 30,039 | 42,669 | 42,324 |
| TOTAL PRODUCTION (1) | | 1,028,931 | 1,214,592 | 1,051,076 | 932,068 | 828,181 | 1,010,970 |

A = area in hectares

Y = yields in kilogram/hectare

P = Production in tons

Source: Enquêtes Agricoles of the Ministry of Plan 1976/81

(1) Converting paddy into rice at a rate of 0.62



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Table A-3 - Production Estimates by Region, major Cereals

Kayes (First Region)

| | | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1976-81 average |
|---|---|---|---|---|---|---|---|
| Millet/sorghum | A | 138,597 | 179,599 | 117,915 | 160,866 | 139,132 | 147,222 |
| | Y | 698 | 664 | 992 | 855 | 717 | 775 |
| | P | 96,702 | 119,161 | 117,022 | 137,594 | 99,730 | 114,042 |
| Paddy | A | 2,739 | 1,450 | 1,013 | 11,105 | 3,666 | 3,994 |
| | Y | 960 | 721 | 1,139 | 438 | 1,144 | 678 |
| | P | 2,284 | 1,045 | 1,154 | 4,863 | 4,192 | 2,708 |
| Maize | A | 14,775 | 20,067 | 13,585 | 17,118 | 17,475 | 16,604 |
| | Y | 1,652 | 707 | 494 | 591 | 626 | 799 |
| | P | 24,408 | 14,187 | 6,711 | 10,117 | 10,939 | 13,272 |
| TOTAL PRODUCTION (1) | | 122,526 | 133,996 | 124,448 | 150,726 | 113,268 | 128,993 |

A = area in hectare

Y = yields in kilograms/hectare

P = production in tons

Source: Enquêtes Agricoles of the Ministry of Plan 1976/81

(1) Converting paddy into rice at a rate of 0.62.



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Table A-4 - Production Estimates by Region, major Cereals

Koulikoro (Second Region)

| | | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1976-81 average |
|---|---|---|---|---|---|---|---|
| Millet/sorghum | A | 47,860 | 112,171 | 110,947 | 47,465 | 164,047 | 96,498 |
| | Y | 2,017 | 1,750 | 1,028 | 2,278 | 344 | 1,184 |
| | P | 96,525 | 196,299 | 114,014 | 108,133 | 56,446 | 114,283 |
| Paddy | A | 787 | 5,680 | 2,931 | 9,070 | 5,388 | 4,771 |
| | Y | 484 | 1,236 | 2,008 | 864 | 557 | 1,012 |
| | P | 381 | 7,023 | 5,884 | 7,840 | 3,002 | 4,826 |
| Maize | A | 5,295 | 3,034 | 6,858 | 4,518 | 12,572 | 6,455 |
| | Y | 517 | 950 | 1,752 | 845 | 1,193 | 1,129 |
| | P | 2,738 | 2,882 | 12,015 | 3,813 | 14,998 | 7,290 |
| TOTAL PRODUCTION (1) | | 99,499 | 203,535 | 129,677 | 116,812 | 73,305 | 124,565 |

A = area in hectares

Y = yields in kilograms/hectare

P = production in tons

Source: Enquêtes Agricoles - Ministry of Economy and Plan 1976/81

(1) Converting paddy into rice at a rate of 0.62.



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Table A-5 - Production Estimates by Region, major cereals

Sikasso (Third Region)

| | | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1976-81 average |
|---|---|---|---|---|---|---|---|
| Millet/sorghum | A | 86,295 | 124,809 | 74,639 | 70,417 | 187,399 | 108,712 |
| | Y | 1,355 | 1,501 | 1,329 | 1,525 | 610 | 1,150 |
| | P | 116,886 | 187,345 | 99,191 | 107,370 | 114,248 | 125,008 |
| Paddy | A | 12,685 | 23,641 | 11,919 | 21,827 | 12,234 | 16,461 |
| | Y | 1,017 | 1,330 | 1,066 | 998 | 1,032 | 1,111 |
| | P | 12,894 | 31,444 | 12,706 | 21,787 | 12,621 | 18,290 |
| Maize | A | 12,180 | 32,734 | 16,322 | 13,868 | 10,486 | 17,118 |
| | Y | 836 | 1,507 | 1,086 | 617 | 764 | 923 |
| | P | 10,183 | 34,600 | 17,726 | 8,557 | 8,011 | 15,815 |
| TOTAL PRODUCTION (1) | | 135,063 | 241,440 | 124,794 | 129,435 | 130,084 | 152,163 |

A = area in hectares

Y = yields in kilograms/hectare

P = production in tons

Source: Enquêtes Agricoles - Ministry of Economy and Plan 1976/81

(1) Converting paddy into rice at a rate of 0.62



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Table A-6 - Production Estimates by Region, major cereals

Segou (Fourth Region)

| | | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1976-81 average |
|---|---|---|---|---|---|---|---|
| Millet/sorghum | A | 266,206 | 293,539 | 380,890 | 407,101 | 470,188 | 363,585 |
| | Y | 1,103 | 953 | 1,070 | 727 | 546 | 844 |
| | P | 293,697 | 279,735 | 407,610 | 296,083 | 256,682 | 306,761 |
| Paddy | A | 40,640 | 80,193 | 35,784 | 75,852 | 45,505 | 55,595 |
| | Y | 1,231 | 2,081 | 2,602 | 1,322 | 1,523 | 1,692 |
| | P | 50,012 | 166,882 | 93,118 | 95,940 | 64,290 | 94,048 |
| Maize | A | 2,432 | 2,841 | 3,671 | 6,580 | 6,575 | 4,420 |
| | Y | 1,037 | 839 | 1,423 | 795 | 874 | 979 |
| | P | 3,040 | 2,384 | 5,224 | 5,231 | 5,747 | 4,325 |
| TOTAL PRODUCTION (1) | | 327,744 | 385,586 | 470,567 | 360,797 | 302,289 | 369,396 |

A = area in hectares

Y = yields in kilograms/hectare

P = production in tons

Source: Enquêtes Agricoles - Ministry of Economy and Plan - 1976/81

(1) Converting paddy into rice at a rate of 0.62.



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Table A-7 - Production Estimates by Region, major cereals

Mopti (Fifth Region)

| | | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1976-81 average |
|---|---|---|---|---|---|---|---|
| Millet/sorghum | A | 319,376 | 239,275 | 266,420 | 219,978 | 313,839 | 271,778 |
| | Y | 666 | 697 | 638 | 368 | 523 | 585 |
| | P | 212,797 | 166,850 | 169,890 | 80,884 | 164,161 | 158,916 |
| Paddy | A | 105,511 | 101,138 | 47,437 | 88,411 | 60,054 | 80,510 |
| | Y | 1,582 | 841 | 707 | 916 | 399 | 780 |
| | P | 166,882 | 85,049 | 33,548 | 80,965 | 23,988 | 78,086 |
| Maize | A | 2,271 | 1,407 | 2,185 | 3,451 | 3,238 | 2,510 |
| | Y | 511 | 438 | 475 | 671 | 523 | 544 |
| | P | 1,161 | 616 | 1,037 | 2,316 | 1,694 | 1,364 |
| TOTAL PRODUCTION (1) | | 317,425 | 220,196 | 191,727 | 133,398 | 180,728 | 208,695 |

A = area in hectares

Y = yields in kilograms/hectare

P = production in tons

Source: Enquêtes Agricoles - Ministry of Economy and Plan - 1976/81

(1) Converting paddy into rice at a rate of 0.62.



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Table A-8 - Production Estimates by Region, major cereals

Gao/Timbuktu (Sixth and Seventh Regions)

| | | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1976-81 average |
|---|---|---|---|---|---|---|---|
| Millet/sorghum | A | 15,101 | 18,250 | 12,529 | 47,848 | 34,652 | 25,676 |
| | Y | 932 | 663 | 199 | 324 | 490 | 476 |
| | P | 14,067 | 12,088 | 2,494 | 15,494 | 16,971 | 12,223 |
| Paddy | A | 13,446 | 32,060 | 12,590 | 39,539 | 15,971 | 22,721 |
| | Y | 1,512 | 893 | 944 | 726 | 718 | 889 |
| | P | 20,333 | 28,630 | 11,883 | 28,722 | 11,462 | 20,206 |
| Maize | A | 0 | 0 | 0 | 0 | 1,600 | 320 |
| | Y | 0 | 0 | 0 | 0 | 800 | 800 |
| | P | 0 | 0 | 0 | 0 | 1,280 | 256 |
| TOTAL PRODUCTION (1) | | 26,673 | 29,839 | 9,861 | 33,301 | 24,327 | 25,006 |

A = area in hectares

Y = yields in kilograms/hectare

P = production in tons

Source: Enquêtes Agricoles

(1) Converting paddy into rice at a rate of 0.62.



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Table A-9: Cereal Production Per Capita (kg/cap./year)

| | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 5-year averag |
|---|---|---|---|---|---|---|
| Kayes | 137 | 146 | 132 | 157 | 115 | 137 |
| Koulikoro | 104 | 208 | 129 | 114 | 70 | 125 |
| Sikasso | 120 | 209 | 106 | 107 | 105 | 129 |
| Segou | 296 | 339 | 404 | 302 | 247 | 317 |
| Mopti | 274 | 186 | 158 | 107 | 142 | 173 |
| Gao/Timbuktu | 33 | 36 | 11 | 38 | 27 | 29 |
| Mali | 157 | 181 | 152 | 132 | 114 | 147 |

Source: Tables A-1 to A-8

A-10: Comparison between Ministry of Plan and Ministry of Agriculture Production Statistics.

(000 MT)

| | 71/71 | 72/73 | 73/74 | 74/75 | 75/76 | 76/77 | 77/78 |
|---|---|---|---|---|---|---|---|
| **Millet/sorghum** | | | | | | | |
| Plan | 715 | 618 | 586 | 911 | 896 | 780 | 961 |
| Agriculture | 691 | 624 | 660 | 800 | 800 | 900 | 800 |
| **Maize** | | | | | | | |
| Plan | 72 | 20 | 35 | 51 | 62 | 63 | 115 |
| Agriculture | 87 | 44 | 63 | 100 | 70 | 80 | 50 |
| **Paddy** | | | | | | | |
| Plan | 157 | 116 | 131 | 179 | 190 | 176 | 303 |
| Agriculture | 171 | 116 | 130 | 250 | 218 | 237 | 199 |
| **Groundnuts** | | | | | | | |
| Plan | 188 | 109 | 108 | 138 | 215 | 122 | 178 |
| Agriculture | 131 | 109 | 100 | 151 | 145 | 166 | 128 |
| **Cotton** | | | | | | | |
| Plan | 74 | 70 | 29 | 45 | 37 | 91 | 41 |
| Agriculture | 70 | 72 | 55 | 71 | 105 | 133 | 114 |

Note: The Ministry of Plan's figures are published with a delay of about three years. Their statistical methodology appears correct but is based on an outdated base sampling. However, some of their results are clearly not reliable (i.e. cereals production in the 2nd and 3rd regions, and cotton production). The Ministry of Agriculture's figures are more timely. They are however based on reporting by ODR's which apply statistical methods of extremely variable standards.



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Table 3: GDP by Sector (1972 constant prices)

| | 1970 | | 1980 | | 1970-80 Growth Rate |
|---|---|---|---|---|---|
| | MF billion | % | MF billion | % | % |
| Primary Sector | 77.2 | 45 | 110.0 | 42 | 3.7 |
| Secondary Sector | 24.4 | 14 | 29.6 | 11 | 2.0 |
| Tertiary Sector | 70.2 | 41 | 122.4 | 47 | 5.7 |
| GDP | 171.8 | 100 | 262.0 | 100 | 4.3 |

Source: World Bank, Economic Memorandum on Mali, 1981.

c) Balance of payments and debt

Concessional external assistance allows Mali to maintain a large current account deficit without incurring an intolerable debt burden.

Growth of exports, however, has been substantial. Mali's largest export is cotton, the production of which has been steadily increasing, except for 1981 to 1983 where poor rainfall distribution and insufficiently remunerative producer prices brough about a temporary lull. Livestock is the second largest export, and perhaps the first if unrecorded exports were taken into account. Growth of livestock exports has been particularly buoyant as the herd has continued to recover from the 1972-74 Great Drought. The recurrence of drought in 1983 has boosted exports even further but bodes ill for the next few years. Groundnuts, long a large foreign exchange earner, no longer are a significant contributor.

Growth of imports has been faster still. Much of it however is financed by external assistance in the form of project or food aid. Exports and imports over the last five years are shown below.

# POVERTY AND MACROECONOMIC CONSIDERATIONS

## a) Poverty

By any measure, Mali is one of the poorest countries in the world. The World Bank ranks Mali the 4th poorest in Africa, and the 12th poorest in the world in terms of GNP/capita, which stood at $190 in 1980. Other socioeconomic indicators paint the same picture, whether infant mortality levels (154 per thousand), life expectancy at birth (43 years), or adult literacy (10 percent).

The greatest number of the poor in Mali, both in relative and in absolute terms, are to be found in rural areas, where the World Bank estimates that about half the population lives in absolute poverty, at income levels of less than $60/capita/year, including subsistance production. The most vulnerable groups are those whose primary source of income depends on the vagaries of rainfall, such as dwellers on marginal cropping land. The drought in the early seventies seems to have brought about some durable shifts in settlement patterns, but population in a large part of the North and the East remains high in relation to limited natural resources. In the West, opportunities for migration to neighboring countries mitigate the harshness of local conditions. In the South, better land resources and reliable rainfall provide a better basis for diversified economic activity and a more stable income.

## b) Growth performance

Despite abrupt fluctuations from year to year because of the importance and the irregularity of weather conditions, and with due regard to the poor quality of official statistics, overall economic growth in Mali has been significant and outpaced population increases. Unfortunately, much of this growth was not self-generated but was only made possible through high levels of external financial assistance, notably from France.

The growth and the evolution of the respective shares in GDP of the primary (agriculture, forestry, fisheries), secondary (industries) and tertiary (trade, transportation, services, government) sectors is shown in the table below. The stagnation of the share of agriculture, the decline of industry and the growth of government and services are worth noting.



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Table 4: Exports and Imports, 1979-1983 (MF billions)

| | 1979 | 1980 | 1981 | 1982 | 1983 (est) |
|---|---|---|---|---|---|
| Exports (f.o.b.) | 62.7 | 86.6 | 83.6 | 95.6 | 123.8 |
| of which: | | | | | |
| cotton | 37.9 | 43.5 | 34.2 | 37.2 | 54.6 |
| livestock | 15.1 | 25.1 | 27.9 | 34.1 | 42.8 |
| Imports (c.i.f.) | 148.0 | 186.1 | 209.2 | 218.4 | 239.4 |
| of which: | | | | | |
| vehicles | 52.0 | 55.6 | 58.0 | 62.0 | 69.1 |
| foodstuffs | 20.4 | 33.3 | 45.5 | 40.5 | 46.9 |
| petroleum products | 23.6 | 35.0 | 39.8 | 45.6 | 45.0 |

Source: IMF

To a large extent because of freight costs due to its land-locked position and to interest payments on its debt outstanding, Mali's balance on services has been negative as well. To a considerable extent, however, Mali's resulting current account deficit has been offset by external financial assistance, as can be seen in Table 5.

Table 5: Current Account Deficit and Foreign Aid (MF billions)

| | 1980 | 1981 | 1982 | 1983 (est) |
|---|---|---|---|---|
| Trade balance | - 60.9 | - 66.2 | - 58.2 | - 45.0 |
| Services | - 79.8 | - 84.1 | - 91.3 | -117.6 |
| Remittances (net) | 14.0 | 16.1 | 18.9 | 18.0 |
| Current Account balance | -126.6 | -134.2 | -130.6 | -144.6 |
| Grants | 61.7 | 70.5 | 61.2 | 80.0 |
| Loans | 48.4 | 41.5 | 58.3 | 57.9 |
| Foreign aid | 110.1 | 112.0 | 119.5 | 137.9 |

Source: IMF



x 84

The total debt resulting for Mali is large in proportion to GDP. Because it has been contracted at very concessional terms, however, its burden in terms of debt service payments as a proportion of export earnings has remained relatively low. It hovers around 15 percent.

d) Public resource management

Mali's two principal macroeconomic failings are negative domestic savings, and a poor allocation of public resources, at the root of which are two problems: the GRM's past public employment policy, and the poor performance of public enterprises.

Because of the limits set under monetary agreements with France on Central Bank financing of the budget deficit, the consolidated government deficit amounts to less than 2 percent of GDP and is declining. The larger issue is however that because of its longstanding policy of automatically hiring into the public sector all graduates of the higher education system and because of the large and growing size of the latter which is entirely geared to the public sector, salary payments have claimed an ever growing share of the national budget (61 percent on average over 1981 and 1982). Together with other non-productive uses of public resources such as consumption subsidies, this has not only resulted in negative domestic savings but has also crowded out recurrent expenditures necessary for public services and development activities to proceed at minimum levels of efficiency.

The problem of public enterprises, which is similar to that of the Rural Development Operations operating in the rural sector, is that for a variety of reasons they have consistently absorbed far more resources than they have contributed to the economy, thus unproductively straining the national budget as well as the credit system.

e) Policy Reform

Long reputed for gross economic mismanagement, the GRM over the last three years has begun to take determined action to address the fundamental problems of the economy, at the same time reversing past policy and relying increasingly on liberalization and on the private sector to foster growth and development. These efforts mainly materialized so far in two successive Standby Agreements with the IMF and in the Cereals Market Restructuring Project (PRMC), which Section 206 food aid would support.

The IMF approved a first 12-month Standby Program in May 1982. The SDR 30.5 million were drawn on schedule in four tranches as Mali had satisfactorily met the IMF's performance



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criteria. In December 1983, the IMF approved a second Standby Program for SDR 40.5 million over an 18-month period. Among the principal measures or achievements were the following:

- A reduction in the consolidated government deficit from MF 19.5 billion in 1981 to MF 9.9 billion in 1982.

- A reduction in total government arrears from MF 42.3 billion as of December 1981 to MF 23.1 billion in May 1983. External arrears accounted for MF 7.9 billion of the MF 19.3 billion total reduction.

- Reductions in the workforce of public enterprises of about 1,100 in January 1984, representing about 8% of total employment in public enterprises.

- The introduction of restrictions on public sector hiring. For the first time, in December 1983 about 1,800 of 3,900 applicants for employment in the public sector were turned down on the basis of competitive examinations.

- A 3-year freeze of public sector salaries.

In addition, the GRM is setting the stage for reform in public enterprises and the ODR's. Two first-phase diagnostic reports were prepared under World Bank financing, and in both cases, a second implementation phase is getting under way. This is expected to result in closures of some enterprises and ODR's, further workforce reductions, selling some enterprises to the private sector, and various other restructuration measures.

Policy reform undertaken in the framework of the Cereals Market Restructuring Project, which includes coarse grains marketing liberalization, is fully described in the main text.



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## ANNEX C : PID APPROVAL MESSAGES

- Cable of 03/15/84
- Cable of 10/24/83
- Cable àf 10/03/83

B. [illegible] THE FOLLOWING ISSUES TO BE CLARIFIED IN THE PP PROCESS:

A. COMMODITIES DESIRED FOR PROJECT. PID PROVIDED JUSTIFICATION FOR USE OF RICE OVER LIFE OF PROJECT, BUT REF A REPLACED RICE WITH CORNMEAL/CORN AS DESIRED COMMODITY DURING THE FY 84 DROUGHT EMERGENCY. THE PP SHOULD REEXAMINE/VERIFY PREFERRED COMMODITY MIX. WHILE MISSION MAY WISH TO RETAIN SOME FLEXIBILITY FOR FUTURE YEARS, TA MUST SPECIFY WHICH COMMODITIES REQUESTED THIS FY. MISSION SHOULD PROPOSE A PROGRAM COMMODITY PACKAGE FOR THE THREE YEARS OF THE PROJECT WHICH WILL HELP IT ATTAIN ITS POLICY AND DEVELOPMENT GOALS WITH APPROPRIATE EXPLANATION OF WHAT EFFECT PL 480 IMPORTS WILL HAVE ON LOCAL GRAIN PRODUCTION AND MARKETING.

B. USUAL MARKETING REQUIREMENT (UMR). PID [illegible] UMR OF ZERO, WHILE IMPORTS OVER THE LAST FIVE YEARS SUGGEST THAT SOME MORE REASONABLE UMR COULD BE EASILY MET. WHY/HOW DOES USAID SUPPORT A ZERO UMR? WHAT EFFECT WOULD PL 480 IMPORTS UNDER 206 HAVE ON THE USUAL PATTERN OF GRAIN IMPORTS?

C. COORDINATION WITH THE 1984 EMERGENCY PROGRAM. HOW WILL TWO SALES PROGRAMS BE COORDINATED? PP SHOULD FULLY EXPLAIN THE RELATIONSHIP BETWEEN THE PROPOSED 206 PROGRAM AND THE EMERGENCY PROGRAM. HOW WILL CORNMEAL BE PRICED IN RELATION TO GRAIN CORN? WHAT WOULD BE TIMING OF RICE IN 206 FOLLOW-UP OF EMERGENCY PROGRAM? WILL EMERGENCY PROGRAM TA AND COMMODITIES BE LINKED TO 206 IMPLEMENTATION PROCEDURES, GOALS AND SELF-HELP MEASURES? WHAT SAFEGUARDS ARE THERE TO PREVENT SALES OF 206 COMMODITIES AND 1984 EMERGENCY COMMODITIES IN A MANNER INVITING FAVORITISM, CORRUPTION, AND WINDFALL PROFITS TO FAVORED INTERMEDIARIES?

D. SELF-HELP MEASURES. SECTION 206 OF PL 480 REQUIRES SELF-HELP MEASURES IN ACCORD WITH SECTION 109 OF PL 480. TO THE EXTENT POSSIBLE, SELF-HELP MEASURES SHOULD

COMPLEMENT OTHER SECTION 206 ELEMENTS DESIGNED TO ALLEVIATE THE UNDERLYING CAUSES OF THE RECIPIENT COUNTRY'S FOOD PROBLEMS AND ITS NEED FOR EMERGENCY FOOD ASSISTANCE. THE GUIDANCE AND INSTRUCTIONS FOLLOWING (WITH MINOR CHANGES TO ADAPT THEM FROM TITLE I-AGREEMENT TO TITLE II SECTION 206 TRANSFER AUTHORIZATION PROCEDURES) ARE THE SAME AS THOSE PROVIDED TO ALL MISSIONS NEGOTIATING TITLE I AGREEMENTS.

(A) SECTION 109 (A) OF PL 480 REQUIRES THAT, BEFORE ENTERING INTO AGREEMENTS, CONSIDERATION BE GIVEN TO-THE EXTENT TO WHICH THE RECIPIENT COUNTRY IS UNDERTAKING - SELF-HELP MEASURES TO INCREASE PER CAPITA PRODUCTION AND IMPROVE THE MEANS FOR STORAGE AND DISTRIBUTION OF AGRICULTURAL COMMODITIES. IN ADDITION, IT IS REQUESTED THAT PARTICULAR ACCOUNT BE TAKEN TO DETERMINE THE EXTENT TO WHICH THEY ARE BEING CARRIED OUT IN WAYS DESIGNED TO

AMEMBASSY BAMAKO

ACTION: Econ 3

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FM SECSTATE WASHDC
TO RUTABO/AMEMBASSY BAMAKO IMMEDIATE 3752
INFO RUEHAE/AMEMBASSY ABIDJAN IMMEDIATE 2612
RUTADS/AMEMBASSY DAKAR IMMEDIATE 3542
BT
UNCLAS SECTION 01 OF 03 STATE 076995

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E.O. 12356: N/A
TAGS:
SUBJECT: PL 480 TITLE II SECTION 206 PROGRAM IN MALI

REF: A) BAMAKO 552, B) 83 STATE 272575

1. THE DEVELOPMENT COORDINATING COMMITTEE (DCC) HAS APPROVED IN PRINCIPLE THE IMPLEMENTATION OF A THREE-YEAR (FY 1984 TO FY 1986) PL 480 TITLE II SECTION 206 PROGRAM. THIS PROGRAM IS IN SUPPORT OF THE PROPOSED CEREALS MARKET RESTRUCTURING PROJECT (688-0235) THE PURPOSE OF WHICH IS TO ACHIEVE POLICY AND INSTITUTIONAL REFORM IN CEREALS MARKETING IN A MANNER WHICH WILL INCREASE FOOD PRODUCTION AND PROVIDE FOR AN INCREASED ROLE BY THE MALIAN PRIVATE SECTOR, PER THE PID WHICH WAS APPROVED IN REF B.

2. THIS APPROVAL IN PRINCIPLE IS SUBJECT TO THE FOLLOWING CONDITIONS:

A. THAT THE PROJECT PAPER (PP) IS APPROVED BY AID, AND THE TRANSFER AUTHORIZATION IS APPROVED BY THE DCC;

B. THAT PL 480 TITLE II FUNDS ARE AVAILABLE IN FY 1984, WHICH IS SUBJECT TO THE PASSAGE OF THE FY 1984

SUPPLEMENTAL BILL NOW BEFORE THE CONGRESS;

C. SATISFACTORY COMPLETION OF THIRD COUNTRY CONSULTATION AND NEGOTIATION OF UMR.

ACTION REQUESTED: THAT THE MISSION SUBMIT AN APPROVED PROJECT PAPER WITH DRAFT TRANSFER AUTHORIZATION TO THE DCC BY EARLY MAY FOR DCC REVIEW, POSSIBLE REVISION, AND APPROVAL.

| | ACT | INFO |
|---|---|---|
| AMB | | ✓ |
| DCM | | ✓ |
| POL | | ✓ |
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[illegible] DIRECTED TO [illegible] PROGRESS [illegible] RURAL AREAS [illegible] THE [illegible] TO PARTICIPATE [illegible] IN INCREASING AGRICULTURAL PRODUCTION THROUGH SMALL FARM AGRICULTURE. SECTION 109 INCLUDES LITERACY AND HEALTH MEASURES FOR THE RURAL POOR AS SUBJECT FOR SELF-HELP MEASURES.

(B) SELF-HELP MEASURES WHICH THE RECIPIENT COUNTRY AGREES TO UNDERTAKE SHALL BE DESCRIBED (A) TO THE MAXIMUM EXTENT FEASIBLE, IN SPECIFIC AND MEASURABLE TERMS, AND (B) IN A MANNER WHICH ENSURES THAT THE NEEDY PEOPLE IN THE RECIPIENT COUNTRY WILL BE THE MAJOR BENEFICIARIES OF THE SELF-HELP MEASURES PURSUANT TO EACH AGREEMENT. TO THE MAXIMUM EXTENT FEASIBLE, SELF-HELP MEASURES AGREED TO ARE TO BE ADDITIONAL TO THE MEASURES THAT THE RECIPIENT COUNTRY OTHERWISE WOULD HAVE UNDERTAKEN IRRESPECTIVE -OF THAT AGREEMENT OR AMENDMENT. ALL APPROPRIATE STEPS-ARE TO BE TAKEN TO DETERMINE WHETHER THE ECONOMIC DEVELOPMENT AND SELF-HELP PROVISIONS OF EACH AGREEMENT AND AMENDMENT ENTERED INTO ARE BEING FULLY CARRIED OUT. UNDER CURRENT INTERPRETATION, IT MUST BE POSSIBLE, AFTER A GIVEN - PERIOD, SUCH AS A YEAR, TO DETERMINE THE EXTENT TO WHICH THE SELF-HELP MEASURES HAVE OR HAVE NOT BEEN CARRIED OUT.

(C) IN NEGOTIATIONS WITH RECIPIENT GOVERNMENT ON SELF-HELP MEASURES FOR THE TRANSFER AUTHORIZATION (TA), THE MISSION MUST SEEK SPECIFIC COMMITMENTS OR TARGETSAS A MEANS TO MEASURE THE EXTENT TO WHICH ECONOMIC - DEVELOPMENT AND SELF-HELP MEASURES HAVE BEEN CARRIED OUT. SPECIFIC AND MEASURABLE TARGETS BY WHICH TO;MEASURE PROGRESS CAN INCLUDE INFRASTRUCTURE COMPLETION, FINANCIAL MEASURES, POLICY CHANGES, PRICE REVISIONS, COMPLETION OF [illegible] ACTS, AND/OR IMPLEMENTING POLICY CHANGES, INDICATING DEADLINES FOR THE MEASURES. IT IS EXPECTED THAT TARGETS FOR THE SELF-HELP MEASURESS WILL BE SET SO THAT ACHIEVING THEM WILL NOT BE AUTOMATIC, BUT WILL REQUIRE SPECIAL EFFORT. THE SPECIFIC TARGETS YOU DEVISE TO MEASURE PROGRESS NEED NOT BE INCLUDED IN THE TA ITSELF, BUT CAN BE PUT IN ATTACHED MEMORANDUM OF UNDERSTANDING SIGNED AT THE SAME TIME AS THE TA ITSELF. THE MEMORANDUM MAY ALSO CONTAIN GOALS FOR EXPENDITURES OF SALES PROCEEDS FOR PROJECTS RELATED TO SELF-HELP MEASURES AND OTHER DEVELOPMENT PURPOSES.

(D) CONCERNING SECTION 109 (D) (B) OF PL 480, MISSION SHOULD INDICATE HOW NEEDY PEOPLE WILL BE MAJOR BENEFICIARIES OF THE SELF-HELP MEASURES. THIS IS PARTICULARLY IMPORTANT FOR SELF-HELP PROGRAMS WHERE THE CONNECTION BETWEEN THE MEASURES TO BE TAKEN AND BENEFITS TO THE NEEDY IS NOT IMMEDIATELY APPARENT. PREFERABLY THIS SHOULD BE DONE IN THE TA ITSELF, BUT IF DESIRED, MAY BE DONE IN AN ATTACHED MEMORANDUM OF UNDERSTANDING.

[illegible] ITY, THE [illegible]
[illegible], TO THE [illegible] EXTENT, SELF-HELP MEASURES IDENTIFIED IN THE AGREEMENT REPRESENT AN EXPANDED EFFORT UNDERTAKEN BY THE RECIPIENT GOVERNMENT THAT WOULD NOT, AS BEST MAY BE DETERMINED, HAVE BEEN IMPLEMENTED IN THE ABSENCE OF THE AGREEMENT. INTENTION IS THAT SELF-HELP MEASURES ARE NOT ONES THAT WOULD HAVE TAKEN PLACE REGARDLESS OF PL 480 AID; BUT THEY MAY INCLUDE MEASURES PREVIOUSLY CONSIDERED AND FAVORED BY RECIPIENT GOVERNMENT BUT WHICH REQUIRE THE IMPETUS OF A PL 480 AGREEMENT TO BE IMPLEMENTED.

(F) DETERMINATION AS TO WHETHER ECONOMIC DEVELOPMENT AND SELF-HELP MEASURES ARE BEING FULLY CARRIED OUT IS TO BE MADE THROUGH THE ESTABLISHED YEARLY REPORTING PROCESS FOR SELF-HELP MEASURES AND THROUGH DISCUSSION OR CONSULTATIONS ON PROGRESS WHICH TAKE PLACE DURING THE YEAR BETWEEN RECIPIENT GOVERNMENT AND MISSION PERSONNEL AND REPORTED THROUGH THE ETABLISHED YEARLY REPORTING PROCESS.

MISSION SHOULD MAINTAIN ROUTINE CONSULTATIONS WITH RECIPIENT GOVERNMENT REGARDING THEIR PROGRESS AND ESTABLISH A TIMEFRAME FOR SUCH CONSULTATIONS IN THE TA OR IN THE MEMORANDUM OF UNDERSTANDING ON SELF-HELP MEASURES. SUCH CONSULTATIONS SHOULD BE ARRANGED TO ENABLE MISSION TO CABLE WASHINGTON BY AUGUST 30, 1984,

SUMMARY OF SELF-HELP PROGRESSS TO DATE.

(G) MISSION MUST SUBMIT SELF-HELP MEASURES TO WSHINGTON FOR DCC REVIEW, POSSIBLE REVISION, AND APPROVAL PRIOR TO SIGNING FY 84 TA.

(H) MISSION IS ENCOURAGED TO LIMIT THE SELF-HELP MEASURES IN THE TA TO THE FEW MOST IMPORTANT MEASURES OF THE CEREALS MARKET RESTRUCTURING PROJECT THAT WILL BE EMPHASIZED DURING THE COMING YEAR. THEY SHOULD CONTAIN GENERAL TARGETS AND BENCHMARKS, BUT SPECIFIC DETAILS WHICH MAY REQUIRE REVISION DURING THE YEAR SHOULD BE CONTAINED IN THE MEMORANDUM OF UNDERSTANDING. SOME ADAPTATIONS MAY BE REQUIRED TO HARMONIZE THE BILATERAL NATURE OF SELF-HELP MEASURES NEGOTIATED FOR THE TA WITH THE MULTI-DONOR NATURE OF THE MALI PROGRAM, AND MISSION SHOULD SUGGEST ITS PREFERRED SOLUTIONS TO PROBLEMS THAT MAY ARISE IN THIS REGARD.

4. IN ORDER TO BE APPROVED UNDER FY 1984 BUDGET, THE SECTION 206 PROGRAM AND TA WOULD NEED TO BE APPROVED BY THE INTERAGENCY GROUP (DCC) NLT 15 JUNE 1984. PLEASE ADVISE IF OUTSIDE ASSISTANCE WILL BE NECESSARY FOR PP DESIGN EFFORT. SHULTZ

AMEMBASSY BAMAKO

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Classification

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INFO RUEHRO/AMEMBASSY ROME 1872
BT
UNCLAS SECTION 01 OF 02 STATE 302979

ADM AID; ROME FOR WFR

E.O. 12356: N/A
TAGS:
SUBJECT: MALI - PL 480 TITLE II SECTION 206, CEREALS MARKET RESTRUCTURING 688-0230 PID ECPR MEETING

REF: (A) STATE 282006 (B) BAMAKO 5820

1. HPTHE AFRICA BUREAU EXECUTIVE COMMITTEE FOR PROJECT REVIEW (ECPR) REVIEWED SUBJECT PID ON FRIDAY, OCTOBER 7, 1983. USAID/MALI WAS REPRESENTED BY PROGRAM OFFICER SIMMONS AND PROGRAM ECONOMIST DE MERODE. THE ECPR COMPLIMENTS THE MISSION ON THE PID DOCUMENT ITSELF AND IS VERY SUPPORTIVE OF ITS SUBSTANTIVE CONTENT. THE ECPR APPROVED THE PID AND AUTHORIZED THE MISSION, SHOULD IT SO CHOOSE, TO PROCEED TO PP PREPARATION. HOWEVER, THE ECPR RECOMMENDS THAT THE MISSION FULLY CONSIDER THE FUNDING ISSUES DISCUSSED BELOW PRIOR TO MAKING THAT DECISION. IN ADDITION, USAID WILL WANT TO WEIGH THE ADVANTAGE OF HAVING A COMPLETED PROJECT DESIGN SHOULD FUNDING BECOME AVAILABLE AGAINST THE POTENTIAL DISADVANTAGES OF THE USE OF SCARCE DESIGN RESOURCES AND THE UNWARRANTED RAISING OF GRM AND OTHER DONOR EXPECTATIONS IF FUNDING DOES NOT MATERIALIZE.

2. FUNDING AVAILABILITY - PARA 3 OF REF A DESCRIBED THE ALREADY OVERSUBSCRIBED SITUATION FACING FY 84 TITLE II

RESERVE AND THE IMPLICATIONS FOR SECTION 206 FUNDING.

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[illegible] AGENCIES HAVE [illegible] FUNDING [illegible] /IA [illegible] ARRIVE AT THE [illegible] CHARACTERIZED THE CHANCES FOR FY 84 SECTION 206 FUNDING IN [illegible] STARK TERMS INCLUDING QUOTE ZERO, VERY BLEAK AND IMPOSSIBLE UNQUOTE. HE ALSO CONSIDERED FY 85 FUNDS AVAILABILITY AS PROBLEMATIC AT BEST. OMB IS ALSO RELUCTANT TO APPROVE MULTI-YEAR SECTION 206 FUNDING BUT HAS DONE SO IN THREE CASES. AT THE SAME TIME, AID/W WOULD LIKE TO SEE MORE RESOURCES ALLOCATED TO FOOD AID IN AFRICA, PARTICULARLY THOSE IN SUPPORT OF DEVELOPMENT AND POLICY ORIENTED ACTIVITIES SUCH AS THE MALI PROPOSAL. FVA/FFP IN PARTICULAR IS GUARDEDLY OPTIMISTIC THAT SUFFICIENT SECTION 206 FUNDS MAY BE FOUND TO SUPPORT THIS PROJECT.

3. FUNDING ALTERNATIVES: AS AN ALTERNATIVE TO A PL 480 TITLE III SECTION 206 PROPOSAL, OMB SUGGESTED THAT AID CONSIDER THE FOLLOWING OPTIONS:

--A. [illegible] OUR SUPPORT FOR THIS PROJECT [illegible] WORLD FOOD PROGRAMME. THE UNITED STATES MAKES A BIENNIAL PLEDGE TO THE WFP FOR WHICH PL 480 LEGISLATION GUARANTEES FUNDING. THIS PLEDGE IS DRAWN DOWN AS THE USG AGREES TO SUPPORT WFP PROJECTS IN VARIOUS COUNTRIES. UNDER THIS OPTION WE COULD LET IT BE KNOWN TO THE GRM AND OTHER DONORS THAT THIS REPRESENTS THE USG CONTRIBUTION. THE PL 480 FOOD AID PACKAGING IS CLEARLY IDENTIFIABLE AS WELL. AS THE MISSION KNOWS, WE CONTRIBUTED 5000 TONS TO THE MALI CEREALS MARKET RESTRUCTURING PROJECT THROUGH THE WFP IN FY 1982. UNDER THIS SCENARIO, RELEASE OF THE EARMARKED FOOD AID WOULD BE CONTINGENT UPON THE GRM MEETING AID/MULTI-DONOR GUIDELINES AND BENCHMARKS. THE WFP WOULD BE A CONDUIT FOR U.S./MULTI-DONOR POLICY REFORMS. NATURALLY THE WFP WOULD HAVE TO AGREE TO THIS ARRANGEMENT.

--B. SECTION 416 OF THE AGRICULTURAL ACT OF 1949 AS AMENDED, AUTHORIZES THE U.S. GOVERNMENT TO GRANT SURPLUS DAIRY PRODUCTS TO DEVELOPING COUNTRIES FORNUTRITIONAL FEEDING PROGRAMS. THE USG CAN PAY THE DELIVERY COSTS. TO DATE, SECTION 416 GUIDELINES DO NOT ALLOW FOR THE SALE OF THE ITEMS TO GENERATE LOCAL CURRENCY.

--C. PL 480 TITLE III FUNDING IS SOMEWHAT MORE SECURE BUT ALSO SUBJECT TO HEAVY DEMAND IN FY 84. SECTION 304D OF THE LEGISLATION PERMITS THE USG TO PAY DELIVERY COSTS FOR RLDCS, BUT THIS HAS NEVER BEEN DONE. IN ADDITION, UNDER CERTAIN CIRCUMSTANCES AND WITH PROPER JUSTIFICATION, SUBSTANTIVE REQUIREMENTS OF TITLE III PROGRAMS MAY ALSO BE WAIVED FOR RLDC'S.

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PROBLEM IS WITH A REAL AND POTENTIALLY EMBARRASSING DILEMMA. ON THE ONE HAND, USAID IN CLOSE COOPERATION WITH THE GRM AND OTHER DONORS HAS DEVELOPED A PROPOSAL WHICH MAKES GOOD DEVELOPMENT SENSE AND WHICH APPEARS TO MEET THE PROPOSED SECTION 206 GUIDELINES. FURTHERMORE, THE TRACK RECORD TO DATE IS ENCOURAGING. ON THE OTHER HAND, AT PRESENT, THERE APPEARS TO BE LITTLE PROSPECT FOR FINANCING THE PROGRAM UNDER THE PREFERRED SECTION 206 FUNDING MECHANISM IN FY 84. MOREOVER EACH ALTERNATIVE FUNDING MECHANISM PRESENTS ITS OWN SERIOUS PROGRAMMATIC DRAWBACKS. AID/W WILL EXPLORE THE FUNDING ALTERNATIVES NOTED ABOVE AND IS CONTINUING DISCUSSIONS WITH OTHER USG AGENCIES WITH THE HOPE OF MAKING

SUFFICIENT SECTION 206 FUNDS AVAILABLE TO FINANCE THIS PROJECT. DEFINITE RESOLUTION OF THE FUNDING ISSUE (ONE WAY OR THE OTHER) IS EXPECTED IN EARLY JANUARY 1984. EVEN IF USAID/BAMAKO DECIDES NOT TO PROCEED IMMEDIATELY TO PP PREPARATION, YOU MAY WISH TO LAY THE GROUNDWORK (FINAL SCOPES OF WORK, PRELIMINARY IDENTIFICATION OF PP TEAM MEMBERS, ETC.) FOR QUICK ACTION IF THE FUNDING ISSUE IS RESOLVED FAVORABLY. USG DELEGATES TO UPCOMING WFP CONFERENCE IN ROME WILL BROACH WFP ALTERNATIVES WITH WFP OFFICIALS. USAID MAY WISH TO MAKE PRELIMINARY FEELER TO LOCAL WFP REPSRESENTATIVE REGARDING THIS OPTION.

5. ON OTHER POINTS, ECPR IN GENERAL REAFFIRMED GUIDANCE PROVIDED USAID IN REFTEL. IN PARTICULAR, ECPR:

--A. REQUESTED THAT ANY PP SUBMITTED DESCRIBE THE ACCOUNTING SYSTEM WHICH WILL ASSURE THAT PROJECT GENERATED FUNDS ARE USED FOR THE PURPOSES INTENDED (PARAS 8 REF A).

--B. REQUESTED THAT ANY PP SUBMITTED DESCRIBE THE EXPERTISE CURRENTLY IN PLACE IN THE GRM AND THE MANAGEMENT COMMITTEE TO CARRY OUT THE PROPOSED PROJECT AND THOSE ASPECTS WHICH MAY NEED TO BE REINFORCED THROUGH

TECHNICAL ASSISTANCE AND TRAINING TO HELP ASSURE ACHIEVEMENT OF PROJECT PURPOSES (PARAS 8 AND 11 REF A).

6. BUREAU ENVIRONMENTAL OFFICER APPROVES MISSION DIRECTOR'S CATEGORICAL EXCLUSION FOR THIS PROJECT PER RATIONALE PROVIDED REF B. SHULTZ

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--A. QUOTE SPECIAL ACCOUNT UNQUOTE SECTION 206 CRITERIA REQUIRE THAT THE LOCAL CURRENCY EQUIVALENT OF THE COST OF THE PL 480 COMMODITIES (FAS) BE DEPOSITED IN A SEPARATELY IDENTIFIED QUOTE AGRICULTURAL COMMODITY ACCOUNT UNQUOTE WITHIN SIX MONTHS OF ARRIVAL IN COUNTRY. A PRELIMINARY CALCULATION INDICATES A ROUGH PARITY BETWEEN THE PROJECTED DOLLAR COST OF PL 480 RICE

AND THE OFFICIAL SALES PRICE OF RICE IN MALI IN MALIAN FRANCS. THE KEY QUESTION IS WHETHER THE SALES PRICE OF PL 480 RICE IN MALI WILL COVER THE FINANCIAL DEPOSIT REQUIREMENT AND YET NOT BE SO HIGH AS TO DISCOURAGE PURCHASES OF PL 480 RICE. ECONOMIC/FINANCIAL ANALYSES SHOULD CAREFULLY ASSESS THE ANTICIPATED PRICE STRUCTURE FOR PL 480 RICE AND RICE IN MALI TO ASSURE SUFFICIENT GENERATION OF LOCAL CURRENCY SALES REVENUES. ALL PROCEEDS FROM THE SALE OF PL 480 COMMODITIES MUST BE DEPOSITED IN THE SPECIAL ACCOUNT BEFORE THEY CAN BE DISBURSED FOR AUTHORIZED PURPOSES. SHOULD IT APPEAR THAT COMMODITY SALES WILL NOT COVER 100 PERCENT OF DEPOSIT REQUIREMENTS, THE PP SHOULD INDICATE THE PERCENTAGE ANTICIPATED, FULLY EXPLAIN HOW THE DEFICIT IS RELATED TO PRICE POLICY REFORMS, AND OUTLINE THE EXPECTED STEPS LEADING TO MEETING THE DEPOSIT REQUIREMENT IN EITHER YEAR TWO AND THREE.
--(B) IN THIS REGARD, PP SHOULD CONSIDER THE ACCEPTABILITY OF U.S 20 PERCENT BROKEN RICE AS THE PL 480 COMMODITY. DOES IT MEET CONSUMERS PREFERENCE? HOW WILL ITS HIGHER QUALITY EFFECT THE PRICE CONSUMER WILL PAY? HOW WILL THAT AFFECT THE GENERATION OF LOCAL PRECEEDS?

--(C) PC HAS NO PROBLEM WITH THE GENERAL OUTLINE FOR THE USE OF COUNTEPPART FUNDS AS STATED PAGE 23 AND WILL RECOMMEND THAT MISSION NEGOTIATE AND APPROVE SPECIFIC FOOD STRATEGY ACTIVITIES. HOWEVER, PC ALSO REITERATES THAT THE CASE FOR SECTION 206 FUNDING WILL BE STRENGTHENED BY PP BEING AS SPECIFIC AS POSSIBLE REGARDING HOW THE PROCEEDS WILL BE USED TO REDUCE THE CHRONIC NEED FOR EMERGENCY FOOD SHIPMENTS.

8. ACCOUNTING, MANAGEMENT AND MONITORING: ONE OF THE FEW PID INADEQUACIES NOTED BY THE PC WAS IN THE AREA OF PROJECT ACCOUNTING, MANAGEMENT, AND MONITORING. (A) GIVEN PREVIOUS ACCOUNTING HISTORY IN MALI AND THE LEGISLATIVE REQUIREMENTS OF PL 480, PARTICULAR ATTENTION NEEDS TO BE PAID IN PP TO MECHANISMS FOR OBTAINING AND ACCOUNTING FOR COUNTER-PART FUNDS. AID/W WILL ADVISE DE MERODE DURING HIS AID/W TDY HOW THE JOINT FOOD DONOR ACCOUNTS WORKED IN CAPE VERDE. (B) PP SHOULD INCLUDE A DETAILED, TIME-PHASED IMPLEMENTATION PLAN INCLUDING PROGRESS REVIEW AND DECISION POINTS. (C) PID NOTES THAT PROJECT PROGRESS WILL BE MONITORED BY A DONOR MANAGEMENT

COMMITTEE AND A DONOR COORDINATOR. PP SHOULD DETAIL HOW THESE WILL WORK AND HOW USAID WILL STAFF AND CARRY OUT ITS MONITORING RESPONSIBILITIES. PC WILL RECOMMEND THAT MONITORING INCLUDE COLLECTION OF DATA ON PRODUCTION, MARKETING AND CONSUMPTION. HOW WILL THOSE SPECIALIZED SERVICES BE PROVIDED?

9. PRIVATE SECTOR: PP SHOULD PROVIDE A DETAILED DESCRIPTION OF HOW THE PRIVATE GRAIN MARKETING SYSTEM WORKS AT PRESENT AND HOW IT WILL WORK BY THE EOP. WHAT IS PRIVATE SECTOR'S CURRENT AND ANTICIPATED CAPACITY? PID NOTES SOME POTENTIAL FOR DESTABILIZING MARKET SPECULATION AND OLIGOPOLY. HOW GREAT IS THE DANGER? WHAT MEASURES CAN BE TAKEN TO MINIMIZE THE ADVERSE REPERCUSSIONS OF SPECULATION/ OLIGOPOLY?

10. ROLE OF OPAM: THE PC ACCEPTS OPAM'S CONTINUING ROLE REGARDING FOOD SECURITY AND PROCUREMENT FOR CERTAIN INSTITUTIONS AND GROUPS BUT WILL URGE THE ECPR TO RECOMMEND THAT USAID WORK TO PHASE DOWN CONTINUED OPAM PARTICIPATION IN THE MARKET AS A PRICE REGULATOR.

11. INPUT TO OUTPUT DETAIL: THE PID DOES NOT EXPLAIN HOW THE INPUTS PROVIDED BY AID AND OTHER DONORS WILL RESULT IN THE NUMEROUS PROJECT OUTPUTS ANTICIPATED, INCLUDING SIGNIFICANT INSTITUTIONAL DEVELOPMENT. PC WILL RECOMMEND THAT THE PP CAREFULLY DESCRIBE THE TECHNICAL ASSISTANCE AND TRAINING TO BE PROVIDED BY THE OTHER DONORS AND HOW THE TA, ALONG WITH THE FOOD AID, WILL ASSURE ACHIEVEMENT OF THE OUTPUTS. DAM



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PAGE 01 STATE 282006 0633 042087 A101135
ORIGIN AID-00

ORIGIN OFFICE AFDR-06
INFO AFEM-04 AFDP-06 FVA-01 PPCE-01 PPPB-02 GC-01 GCAF-01
GCFL-01 FM-02 FFP-03 PVC-02 AFDA-01 FVPP-01 AGRI-01
COM-02 OMB-02 TRSY-05 RELO-01 MAST-01 /044 A5 33

INFO OCT-00 AMAD-01 /021 R

DRAFTED BY AID/AFR/PD/SWAP:PHOLMES:EOB
APPROVED BY AID/AFR/PD:NCOHEN
AID/AFR/PD/SWAP:JRMCCABE
AID/AFR/SWA:LWERLIN (DRAFT)
AID/AFR/DP:DWILSON (DRAFT)
AID/AFR/TR/ARD:ABURGE,T (DRAFT)
AID/GC/AFR:BBRYANT (INFO)
AID/PPC/PB:LTANNER (DRAFT)
AID/AFR/TR/ARD:PSTEFFEN (DRAFT)
AID/AFR/DP:JELLIOTT (DRAFT)
OMB/IA:MUSNICK (INFO) USDA/FAS:VO'DONNELL (INFO)
AID/FVA/FFP:CGORDON (SUBSTANCE) USDA/ERS:ADOMMEN (INFO)
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ADM AID

E.O. 12356: N/A
TAGS:
SUBJECT: MALI - PL 480 TITLE II SECTION 206, CEREALS MARKET RESTRUCTURING PROJECT 688-0230, PID ISSUES MEETING

1. AID/W PROJECT COMMITTEE (PC) MET ON SEPT. 21, 1983 TO REVIEW REVISED PID AND TO FORMULATE ISSUES FOR CONSIDERATION BY EXECUTIVE COMMITTEE FOR PROJECT REVIEW. USAID/MALI REPRESENTED BY PROG/SIMMONS AND SDPT/SIMMONS. ECPR MEETING NOW SCHEDULED FOR FRIDAY, OCTOBER 7, 1983. WITH THE EXCEPTION OF ENVIRONMENTAL DETERMINATION (PARA 2), THE PC SURFACED NO SUBSTANTIVE ISSUE THAT WOULD DELAY DESIGN OF PROJECT PAP R. PC WILL RECOMMEND APPROVAL OF PID. ANY ADDITIONAL COMMENT CABLED ON ITEMS NOTED BELOW PRIOR TO ECPR WOULD BE APPRECIATED AND HELPFUL.

2. ENVIRONMENTAL DETERMINATION: THE ENVIRONMENTAL STATEMENT ON PAGE 30 DOES NOT MEET PID REQUIREMENTS. BEFORE AID/W CAN APPROVE PID WE WILL NEED EITHER AN IEE OR A CATEGORICAL EXCLUSION. IF USAID DECIDES TO GO WITH A CATEGORICAL EXCLUSION, SUGGEST CASE COULD BE BASED UPON CRITERIA (C) (I) AND (II) AND CLASS OF ACTION (XII) OF CFR 216.2 (HANDBOOK 3, CHAPTER 2, PAGES 203 AND 204). PRIOR TO ECPR, PLEASE CABLE EXCLUSION, IEE OR AUTHORITY FOR EXCLUSION TO BE SIGNED BY PROG/SIMMONS.

3. FUNDING-AVAILABILITY: PL 480 FUNDS FOR FY 1984 ARE EXTREMELY TIGHT, AND THE MISSION IS ADVISED THAT EVEN WITH SOLID PP DESIGN, THERE IS NO GUARANTEE THAT TITLE II, SECTION 206 COMMODITIES WILL BE AVAILABLE. TITLE II, SECTION 206 RESOURCES COME FROM THE TITLE II UNALLOCATED AND EMERGENCY RESERVE WITH EMERGENCY/REFUGEE NEEDS HAVING FIRST PRIORITY. IDENTIFIED AND EXPECTED PL 480 EMERGENCY REQUESTS WORLDWIDE WILL SURPASS THE DOLS 90-100 MILLION TITLE II RESERVE BY OVER 50 PERCENT, UNLESS THERE IS A SUPPLEMENTAL AUTHORIZATION. STATE AND AID HAVE REQUESTED A LARGE INCREASE IN THE PL 480 BUDGET FOR FY 1985 BUT APPROVAL IS NOT GUARANTEED. THE AFRICA BUREAU CURRENTLY RANKS MALI FOURTH OUT OF EIGHT AFRICAN COUNTRIES FOR SECTION 206 FUNDING FOR BOTH FY 84 AND 85. HOWEVER, MALI IS RANKED FIRST AMONG THE NEW SECTION 206 PROPOSALS, DUE TO RECENT POSITIVE STEPS TAKEN BY THE GRM, INCLUDING THE BREADTH OF THE CEREALS MARKETING AND PRICING POLICY REFORMS NOW UNDERWAY AND THE ATTENTION GIVEN FOOD SECURITY, AS EVIDENCED BY ITS FOOD SECTOR STRATEGY, DONE IN COLLABORATION WITH USG (USDA) PERSONNEL. BECAUSE OF LIMITED FOOD AVAILABILITY, IT IS IMPORTANT THAT (A) THE PP MEET SECTION 206 CRITERIA TO THE GREATEST EXTENT POSSIBLE AND (B) THE PP TEAM CONSIDER AND DISCUSS OTHER PL 480 ALTERNATIVES, SUCH AS TITLE III (WE MAY BE ABLE TO PAY OCEAN FREIGHT FOR RLDCS IF NECESSARY) AND PRESENT CLEAR JUSTIFICATION, BASED ON SUMMARY MACRO ECONOMIC ANALYSIS AND OTHER CONSIDERATION FOR THE PL 480 INSTRUMENT REQUESTED. TO ASSIST THE INTERAGENCY COMMITTEE IN ITS CONSIDERATION OF THE CASE PRESENTED, THE PP SHOULD EXPLAIN THE TERMS UNDER WHICH OTHER DONORS ARE PROVIDING FOOD AID TO MALI, EG. PRICE, TRANSPORTATION CHARGES AND DEPOSIT AND REPAYMENT REQUIREMENTS IF ANY.

4. MULTI-YEAR PL 480 PROGRAMMING: PID REQUESTS A THREE YEAR COMMITMENT FOR AMOUNTS WHICH COULD TOTAL AS LITTLE AS 7,500 MT OR AS MUCH AS 25,000 MT. TO SIMPLIFY THE PLANNING/BUDGET PROCESS, THE PC SUGGESTS THAT THE FOOD AID REQUIREMENT BE HANDLED BY A MULTI-YEAR PL 480 TRANSFER AUTHORIZATION FOR A SINGLE AMOUNT OF SAY QUOTE UP TO 25,000 MT UNQUOTE OVER THE THREE YEAR PERIOD. (OF COURSE GIVEN FUNDING LIMITATIONS, THE HIGHER THE AMOUNT THE HIGHER THE RISK TO INTERAGENCY APPROVAL). THE UP TO 25,000 MT AMOUNT WOULD ALLOW FOR FLEXIBLE DRAW-DOWNS CORRESPONDING TO PROJECT PROGRESS, MALIAN NEEDS AND OTHER DONOR FOOD AID ARRIVALS.

5. PROGRESS BENCHMARKS: PC RECOGNIZES THE NEED FOR MAINTAINING REASONABLE PACE OF IMPLEMENTATION AND NEGOTIATING FLEXIBILITY WITHIN THE CONTEXT OF A MULTI-DONOR PROGRAM OF POLICY REFORM. AT THE SAME TIME, THE NEED FOR MANAGEMENT SAFEGUARDS AND FOR THE STRONGEST POSSIBLE CASE FOR SECTION 206 FINANCING, ARGUES FOR MAXIMUM POSSIBLE SPECIFICITY, QUANTIFICATION AND VERIFIABLENESS IN FORMULATING PROGRESS BENCHMARKS AND INCREMENTAL FUNDING DECISION CRITERIA. DURING PP DESIGN AND NEGOTIATION WITH GRM AND OTHER DONORS, PC URGES USAID ADOPT FIRM NEGOTIATING POSTURE, TO OBTAIN MOST EXTENSIVE YET REALISTIC REFORM TARGETS POSSIBLE. FYI, SECTION 206 PROGRAMS DO NOT REQUIRE CONDITIONS PRECEDENT AS SUCH BUT DO REQUIRE SPECIFIC QUOTE SELF HELP MEASURES UNQUOTE TO BE INCLUDED IN THE TRANSFER AUTHORIZATION. GUIDANCE FOR DEVELOPING AND NEGOTIATING SELF-HELP MEASURES WILL BE SENT SEPTEL AND DISCUSSED DURING DE MERODE TDY.

6. RICE MARKET LIBERALIZATION: PC CONTINUES TO BELIEVE THAT SIGNIFICANT LIBERALIZATION OF RICE MARKETING (AS WELL AS COARSE GRAINS) IS AN ESSENTIAL ELEMENT OF OVERALL OF RESTRUCTURING PROGRAM. SUCH LIBERALIZATION SHOULD MAKE ADEQUATE PRICE ALLOWANCES FOR DIFFERENCES IN QUALITY AND REGIONAL/SEASONAL AVAILABILITY. PC UNDERSTANDS THAT THE WORLD BANK IS TAKING A STRONG POSITION ON THIS POINT WHICH MIGHT BE FURTHER STRENGTHENED BY AID SUPPORT. PC RECOMMENDS THAT THE PROJECT BENCHMARKS AND SELF-HELP MEASURES STRESS THE INCLUSION OF MARKET LIBERALIZATION OF RICE AS WELL AS OTHER GRAINS.

7. PL 480 COUNTERPART FUNDS:

## Annex D: Selected GRM Official Documents on Cereals Marketing

- Arrêté No. 4194/MEEP-CAB-SP of 12/22/83
  (List od Public Interest Institutions supplied by OPAM)

- Décret No. 286/PG-RM of 10/28/83
  (83/84 Marketing Decree, with Annexes)

- Décret No. 142/PG-RM of 05/26/83
  (Designation of OPAM Board)

- Arrêté No. 941/MEEP/CAB of 03/18/83
  (Creation of Steering and Coordination Committee)

- Décret No. 232/PG-RM of 11/01/82
  (82/83 Marketing Decree, w/o Annexes)

- Arrêté No. 3414/MEEP-DNAE of 10/05/82
  (Trader Licencing Requirements)

- Décret No. 77/PG-RM of 03/26/82
  (Creation of Steering and Coordination Committee)

- Décret No. 68/PG-RM of 03/26/82
  (OPAM mandate)

- Decret No. 67/PG-RM of 03/26/82
  (Trader Licensing Commission)

- Loi No. 82-35/ANRM of 02/08/82
  (Cereals Marketing Law)

- Loi No. 82-36/ANRM of 02/08/82
  (OPAM mandate and statutes Law)

- Décret No. 338/PG-RM of 12/8/82
  (81/82 Marketing Decree w/o Annexes)

[illegible] DU PLAN

CABINET

REPUBLIQUE DU MALI
Un Peuple- Un But- Une Foi

4194

**ARRETE N° MEEP-CAB-SP**

portant rectification de l'arrêté n°0246/MEEP-CAB du 3 Novembre 1983 fixant la liste des Services d'Utilité Publique.

VU la constitution

VU la loi N°82-36/AN-RM du 20 Mars 1982 abrogeant et remplaçant la loi N° 65-7/AN-RM du 13 Mars 1965 portant création de l'Office des Produits Agricoles du Mali.

VU le Décret n°68/PG-RM portant organisation et modalités de fonctionnement de l'Office des Produits Agricoles du Mali.

VU le Décret n°92/PRM du 19 Avril 1983, portant nomination des Membres du Gouvernement de la République du Mali.

VU le Décret n°77/PG-RM portant création d'un Comité d'Orientation et de Coordination (C.O.C.).

LE MINISTRE D'ETAT CHARGE DE L'ECONOMIE ET DU PLAN

**ARRETE**

ARTICLE 1er -Est et demeure rapporté l'arrêté n°0246/MEEP-CAB du 3 Novembre 1983 portant fixation de la liste des services d'Utilité Publique.

ARTICLE 2 -La liste des services d'Utilité Publique devant être ravitaillés en céréales par l'OPAM est ainsi composée :

1°) L'INTENDANCE MILITAIRE :

-Armée
-Gendarmerie
-Police
-Gardes et Goum

2°) LES HOPITAUX-INSTITUTS-CENTRES SOCIAUX ET HOSPITALIERS

-Hôpital Gabriel TOURE
-Hôpital du Point-G
-Hôpital de Kati
-Institut Marcheux
-Hôpital Ophtalmologique
-Centre d'Accueil de placement familial
-Centre de rééducation de Bollé
-Hôpitaux Régionaux.

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3°) LES ETABLISSEMENTS SCOLAIRES D'INTERNAT - LES CANTINES SCOLAIRES

- I.P.R. de Katibougou
- ENSEC Badala
- Internats existants dans les Régions.

4°) LES CENTRES PENITENCIERS :

- Prison Centrale de Bamako et Centres Pénitenciers Régionaux.

ARTICLE 3.- Le présent arrêté sera enregistré, publié et communiqué partout où besoin sera/.-

Fait à KOULOUBA, le 22 [illegible] 1988

LE MINISTRE D'ETAT CHARGE DE
L'ECONOMIE ET DU PLAN

OUMAR COULIBALY
Chevalier de l'Ordre National

MINISTÈRE d'ÉTAT CHARGÉ de L'ÉCONOMIE et du PLAN
REPUBLIQUE DU MALI
UN PEUPLE - UN BUT - UNE FOI
LE MINISTRE

Ampliations :

| | |
|---|---|
| Présidence du Gouvernement | 2 |
| Bureau du Courrier ..... | 2 |
| Original..... | 1 |
| O.P.A.M..... | 3 |
| Ministère des Finances..... | 2 |
| Comité de Gestion des donateurs du P.R.M.C..... | 5 |

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PRESIDENCE DU GOUVERNEMENT

-=-=-oOo-=-=-

SECRETARIAT GENERAL DU GOUVERNEMENT

-=-=-oOo-=-=-

REPUBLIQUE DU MALI

Un Peuple - Un But - Une Foi

# 77 ) D E C R E T N° 286 /PG-RM

## PORTANT REGLEMENTATION DE LA CAMPAGNE CEREALIERE 1983/1984

VU la Constitution ;

VU le Décret n° 66/PG-RM du 2 Mars 1962 réglementant le conditionnement des produits du Mali ;

VU l'Ordonnance n° 78-15/CMLN du 3 Mai 1978 portant régime général des prix et Repression des Infractions à la Législation Economique ;

VU le Décret n° 188/PG-RM du 14 Novembre 1975 portant détermination de la procédure de fixation des prix en République du Mali ;

VU le Décret n° 120/PG-RM du 3 Mars 1978 portant réglementation des prix ;

VU le Décret n° 92/PRM du 19 Avril 1983 portant nomination des membres du Gouvernement.

STATUANT EN CONSEIL DES MINISTRES

## D E C R E T E

Article 1er : La date d'ouverture de la campagne de commercialisation des céréales 1983/1984 est fixée au 1er Novembre 1983.

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Article 2 : Est autorisée pour la commercialisation du Mil - Maïs - Sorgho sur toute l'étendue du territoire national, toute personne physique ou morale exerçant en République du Mali une activité commerciale ou agricole et ayant obtenu au préalable l'agrement du Ministre chargé du Commerce.
Les achats seront effectués par :

- l' O P A M
- les coopératives
- les commerçants agréés.

Les Opérations de Développement spécialisées (Mil Mopti, Mil Kaarta, C.M.D.T.) commercialiseront pour le compte de l'OPAM dans leurs zones d'intervention. La C.M.D.T. commercialisera le Maïs sur la base de son barème propre annexé au présent Décret.

Article 3 : La commercialisation du Paddy et du Riz dans les zones encadrées sera effectuée exclusivement par l'Office du Niger, l'Opération Riz Ségou, l'Opération Riz Mopti et la C.M.D.T. dans leurs zones respectives pour le compte de l'OPAM.

Article 4 : Les exportations de céréales sont interdites.

Article 5 : Les prix d'achat minimum garantis au producteur sont uniformément fixés comme suit sur toute l'étendue de la République du Mali :

- Mil ..... 100 FM/Kg
- Maïs ..... 100 FM/Kg
- Blé ..... 172 FM/Kg
- Paddy Blanc ..... 120 FM/Kg
- Paddy Mélangé ..... ~~110,60~~ FM/Kg 93,[illegible]/kg
- Paddy Rouge ..... 67,20 FM/Kg

Article 6 : Le paddy est considéré comme mélangé dans la limite de 50 % de paddy rouge. Au-délà de ce taux, il sera classé comme paddy rouge et payé comme tel. Les prix de retrocession du paddy dans les centres producteurs sont fixés comme suit :

| | PADDY BLANC | PADDY BLANC ETUVE |
|---|---|---|
| Le Kg | 183,6 FM | 183,6 FM |

Dans les autres localités non productrices de Paddy, ces prix seront majorés des frais d'approche calculés selon les barèmes officiels sur l'itinéraire et par le mode de transport le plus avantageux.

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Article 7 : L'importation et la distribution des céréales à la consommation sont libres pour toute personne physique ou morale ayant la qualité de commerçant. Dans le cadre de sa mission, l'OPAM garantira aux consommateurs et sur toute l'étendue du territoire national les prix de vente ci-dessous des céréales non logés :

| PRODUITS | UNITE | Prix de retrocession | PRIX DE DETAIL |
|---|---|---|---|
| - Mil - Maïs - Sorgho ..... | Kg | 121 | 125 F.M |
| - Riz ELB ..... | Kg | 326 | 330 F.M |
| - Riz RM 25 ..... | Kg | 296 | 300 F.M |
| - Riz RM 40 ..... | Kg | 246 | 250 F.M |
| - Riz BB ..... | Kg | 226 | 230 F.M |

Article 8 : Le prix plafond au consommateur sur le marché libre du Mil-Maïs-Sorgho est uniformément fixé à 140 FM/Kg sur toute l'étendue du territoire.

Article 9 : L'OPAM achetera au prix barème et conformément à la qualité les riz de l'Office du Niger, de l'Opération Riz Ségou, de l'Opération Riz Mopti et de la C.M.D.T. Au cas où la qualité du riz ne correspondrait pas à une qualité du barème, l'OPAM et son partenaire définiront une qualité intermédiaire et en fixeront le prix d'un commun accord.

Article 10 : Les prix de cession, de retrocession et de vente au consommateur du Blé dans les centres de Diré et Goundam sont fixés comme suit :

- Prix de cession ..... 197 francs le Kg
- Prix de retrocession .... 250,65 francs le Kg

Dans les autres localités de la République ces prix seront majorés des frais d'approche calculés aux tarifs officiels sur l'itinéraire et par le mode de transport le plus avantageux.

Article 11 : Les barèmes de prix annexés au présent Décret sont adoptés.

Article 12 : Les infractions aux dispositions du présent Décret sont passibles des sanctions prévues par la législation en vigueur.

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**Article 13** : Toutes dispositions antérieures contraires sont abrogés.

**Article 14** : Le Ministre d'Etat chargé de l'Economie et du Plan, le Ministre des Finances, le Ministre chargé du Développement Rural, le Ministre de l'Agriculture, le Ministre de la Défense Nationale, le Ministre de l'Intérieur, le Ministre des Transports et des Travaux Publics, le Ministre de la Justice, Garde des Sceaux sont chargés, chacun en ce qui le concerne de l'application du présent Décret qui sera enregistré et publié au Journal Officiel de la République du Mali.

KOULOUBA, le 28 octobre 1983

Le Président du Gouvernement,
Ministre de la Défense Nationale

Général Moussa TRAORE

Le Ministre d'Etat chargé de l'Economie et du Plan

Oumar COULIBALY

Le Ministre chargé du Développement Rural

Mady DIALLO

Le Ministre de l'Agriculture P.I

N'GOLO TRAORE

Le Ministre des Finances P.I

Lt Colonel Abdourahmane MAIGA

Le Ministre des Transports et des Travaux Publics P.I

Lt-COLONEL ABDOURAMANE MAIGA

Le Ministre de l'Intérieur

Lt Colonel Abdourahmane MAIGA

Le Ministre de la Justice, Garde des Sceaux

Lt Colonel Issa ONGOIBA

**Ampliations** :

- Original ..... 1
- JORM ..... 1
- Présidence du Gouvernement ..... 5
- Tous Départements Ministériels .. 18
- S. G. G. ..... 10
- Cour Suprême ..... 5
- C. G. E. ..... 6
- Assemblée Nationale ..... 5
- Gouverneurs de Régions ..... 8
- M.E.E.P. (Dtions Nles) ..... 10
- M. F. (Dtions Nles) ..... 10
- C / Financiers et Trésor [illegible]
- Dtion Générale Information ..... 5
- O.S.R.P. ..... 10
- Chambre de Commerce ..... 2
- [illegible]

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## II - CAMPAGNE 1983/1984

## BAREME COOPERATION ET COMMERCANTS

### MIL - MAIS - SORGHO

**Prévision (13 000 T) (pour la Coopération)**

- ZONE DIFFUSE 7 000 T
- C.M.D.T. 6 000 T

| N° | POSTES | VALEURS | |
|---|---|---|---|
| | | F. G. R. | CERCLE |
| 1 | Prix au producteur ..... | 100 000 | 100 000 |
| 2 | Frais de collecte et de marché ..... | 7 827 | 7 827 |
| 3 | Perte sur stockage ..... | 1 105 | 1 105 |
| 4 | Perte sur transport ..... | - | - |
| 5 | Amortissement sacherie ..... | 2 700 | 2 700 |
| 6 | Frais financiers ..... | P.M | P.M |
| 7 | Frais de ramassage et de manutention .. | P.M | 6 538 |
| 8 | Perte sur transport ..... | - | 590 |
| 9 | Prix de revient ..... | 111 632 | 118 760 |
| 10 | Marge (Taux de 13,84 %) ..... | 15 227 | 16 198 |
| 11 | Prix de vente ..... | 126 859 | 134 958 |
| 12 | Frais financiers ..... | - | 8 097 |
| 13 | Transport pondéré ..... | - | 17 469 |
| 14 | Taxe O P A M ..... | - | 9 500 |
| 15 | Soutien ..... | - | - 45 024 |
| 16 | Prix au consommateur ..... | - | 125 000 |

## // AMPAGNE 1983 / 1984

### BAREME MAIS CMDT

Prévision ..... 9 000 T

| N° | POSTES | VALEURS |
|---|---|---|
| 1 | Prix d'achat au producteur ..... | 100 000 |
| 2 | Perte sur transport ..... | 1 000 |
| 3 | Frais de marché ..... | 1 440 |
| 4 | Frais de collecte et d'évacuation sur magasin CMDT | 5 699 |
| 5 | Participation au frais d'encadrement ..... | P.M |
| 6 | Subvention intrants ..... | P.M |
| 7 | Sacherie ..... | 2 700 |
| 8 | Stockage manutention ..... | 2 222 |
| 9 | Perte sur stockage ..... | 541 |
| 10 | Assurance ..... | P.M |
| 11 | Intérêts bancaires ..... | 5 357 |
| 12 | Rémunération C.M.D.T. (5 %) ..... | 5 948 |
| 13 | Prix de revient camion magasin C.M.D.T. ..... | 124 907 |
| 14 | Frais financiers ..... | 7 494 |
| 15 | Transport pondéré ..... | 17 469 |
| 16 | Taxe O P A M ..... | 9 500 |
| 17 | Soutien ..... | - 34 370 |
| 18 | Prix au consommateur ..... | 125 000 |

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## II CAMPAGNE 1983/1984

### BAREME MIL - MAIS - SORGHO OPAM

Prévision de Commercialisation toutes céréales : 50 964 T

| | |
|---|---|
| **Dont Mil :** | 13 450 T |
| - Mil O.M.M. ..... | 450 T |
| - Mil Coopération ..... | 8 000 T |
| - Mil C.M.D.T. ..... | - |
| - Mil O P A M ..... | 5 000 T |
| - Mil Zone Lacustre ..... | - |
| **Dont Maïs :** | 11 500 T |
| - Maïs C.M.D.T. ..... | 9 000 T |
| - Maïs O P A M ..... | 2 500 T |
| **Dont Blé :** | - |
| **Dont Riz :** | 26 014 T |
| - Riz O.R.S. ..... | 4 960 T |
| - Riz O. N. ..... | 20 000 T |
| - Riz C.M.D.T. ..... | 1 054 T |

| N° | POSTES | VALEURS |
|---|---|---|
| 1 | Prix au producteur ..... | 100 000 |
| 2 | Frais de collecte et de marché ..... | 5 240 |
| 3 | Pertes sur transport et stockage ..... | 1 052 |
| 4 | Commission collecteurs 5 % ..... | 5 315 |
| 5 | Prix de cession OPAM Chef lieu Arrondissement ..... | 111 607 |
| 6 | Frais de ramassage et manutention ..... | 6 538 |
| 7 | Perte sur transport 0,5 % ..... | 591 |
| 8 | Commission collecteurs 5 % ..... | 5 671 |
| 9 | Prix de revient Chef lieu Cercle ..... | 124 407 |
| 10 | Pertes sur stockage et distribution ..... | P.M |
| 11 | Amortissement - Sacherie ..... | P.M |
| 12 | Frais financiers (6 %) ..... | 7 464 |
| 13 | Taxe O P A M ..... | 9 500 |
| 14 | Transport pondéré ..... | 17 469 |
| | Prix de revient et de retrocession ..... | 158 840 |
| 15 | Soutien ..... | - 37 840 |
| 17 | Marge de détail ..... | 4 000 |
| 18 | Prix au consommateur ..... | 125 000 |

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## // AMPAGNE 1983 / 1984

## BAREME RIE OFFICE DU NIGER

Production ..... 74 000 T
Commercialisation ..... 50 000 T
Usinage ..... 45 000 T
Rendement Riz 62 % ..... 27 900 T

| N° | POSTES | VALEURS |
|---|---|---|
| 1 | Prix au producteur ..... | 120 000 |
| 2 | Déchet déssication 7 % ..... | 8 400 |
| 3 | Frais de collecte et de marché ..... | 3 370 |
| 4 | Frais financiers ..... | 2 961 |
| 5 | Sacherie paddy + ficelle ..... | 4 835 |
| 6 | Transport carreau usine ..... | 3 272 |
| 7 | Frais d'encadrement ..... | 11 655 |
| 8 | Participation aux frais généraux de la Direction ..... | 9 803 |
| 9 | Protection des cultures ..... | 500 |
| 10 | Prix de revient Paddy carreau usine ..... | 164 796 |
| 11 | Valeur rendement 62 % ..... | 265 800 |
| 12 | Frais d'usinage ..... | 14 460 |
| 13 | Prix de revient Riz carreau usine ..... | 280 260 |
| 14 | Valeur sous - produits ..... | - 2 991 |
| 15 | Prix de revient Riz carreau usine ..... | 277 269 |
| 16 | Transport et manutention carreau usine quai Ségou ..... | 9 674 |
| 17 | Perte sur transport (0,8 %) ..... | P.M |
| 18 | Prix de revient quai Ségou ..... | 286 943 |
| 19 | Soutien ..... | - 82 225 |
| 20 | Prix de cession O P A M ..... | 214 718 |
| 21 | Perte sur transport et distribution OPAM ..... | P.M |
| 22 | Amortissement sacherie B'Twill ..... | P.M |
| 23 | Frais financiers ..... | 12 523 |
| 24 | Transport pondéré ..... | 17 469 |
| 25 | Taxe O P A M ..... | 9 500 |
| 26 | Marge détail ..... | 4 000 |
| 27 | Prix au Consommateur ..... | 248 210 |

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// AMPAGNE 1983/1984

OPERATION RIZ SEGOU (O. R. S.)

Production ..... 28 500 T
Commercialisation ..... 10 000 T
Usinage ..... 8 000 T
Riz Rendement Usinage 62 % 4 960 T

| N° | POSTES | VALEURS |
|---|---|---|
| 1 | Prix au producteur ..... | 120 000 |
| 2 | Déchet déssication 7 % ..... | 8 400 |
| 3 | Frais de collecte et de marché ..... | 5 330 |
| 4 | Usure sacherie Paddy ..... | 4 370 |
| 5 | Ramassage manutention ..... | 2 589 |
| 6 | Frais d'encadrement et frais généraux Direction ..... | 12 100 |
| 7 | Protection des cultures ..... | 500 |
| 8 | Prix de revient carreau usine ..... | 153 289 |
| 9 | Transport et Manutention casier carreau usine ..... | 5 147 |
| 10 | Prix de revient Paddy carreau usine ..... | 158 436 |
| 11 | Valeur rendement 62 % ..... | 255 542 |
| 12 | Frais d'usinage ..... | 17 579 |
| 13 | Valeur sous - produits ..... | - 2 991 |
| 14 | Prix de revient riz nu carreau usine ..... | 270 130 |
| 15 | Sacherie B'Twill ..... | P.M |
| 16 | Prix de revient riz logé ..... | 270 130 |
| 17 | Perte sur transport et distribution OPAM (2 %) ..... | P.M |
| 18 | Frais financiers 6 %..... | 16 207 |
| 19 | Transport pondéré ..... | 17 469 |
| 20 | Taxe O P A M ..... | 9 500 |
| 21 | Marge détail ..... | 4 000 |
| 22 | Soutien ..... | - 69 096 |
| 23 | Prix au consommateur ..... | 248 210 |

## II AMPAGNE 1983 / 1984

## BAREME RIZ C. M. D. T.

Production ..... 1 700 T
Commercialisation ..... 1 700 T
Rendement Riz 62 % ..... 1 054 T

| N° | POSTES | VALEURS |
|---|---|---|
| 1 | Prix d'achat au producteur ..... | 120 000 |
| 2 | Déchet déssication ..... | 8 400 |
| 3 | Frais de collecte et de marché ..... | 4 293 |
| 4 | Usure sacherie Paddy ..... | 4 820 |
| 5 | Frais de ramassage ..... | 6 004 |
| 6 | Participation aux frais d'encadrement ..... | P.M |
| 7 | Subvention intrants ..... | P.M |
| 8 | Protection des cultures ..... | 500 |
| 9 | Prix de revient Paddy carreau usine ..... | 144 017 |
| 10 | Valeur rendement 62 % ..... | 232 285 |
| 11 | Usinage ..... | 11 000 |
| 12 | Stockage évacuation ..... | - |
| 13 | Frais financiers 1 mois (0,84 %)..... | - |
| 14 | Rémunération C.M.D.T. 5 % ..... | 12 164 |
| 15 | Prix de revient Riz carreau usine ..... | 255 449 |
| 16 | Sacherie B'Twill ..... | - |
| 17 | Prix de revient Riz logé ..... | 255 449 |
| 18 | Perte sur transport et distribution OPAM (2 %) ..... | - |
| 19 | Frais financiers 6 % ..... | 15 326 |
| 20 | Transport pondéré ..... | 17 469 |
| 21 | Taxe O P A M ..... | 9 500 |
| 22 | Marge détail ..... | 4 000 |
| 23 | Soutien ou taxe ..... | - 51 744 |
| 24 | Prix au Consommateur ..... | 250 000 |

Les prix des différentes qualités de Riz sont fixés comme suit :

- Le Riz C.M.D.T. est classé RM 40 qualité unique

OFFICE DU NIGER

| Qualités | Unité | Prix de Cession Carreau-Usine | Prix de Cession Quai - Segou | Prix de Retrocession | Prix de Détail |
|---|---|---|---|---|---|
| - E.L.B..... | FM/TONNE | 276 834 | 286 508 | 326 000 | 330 000 |
| - RM 25..... | " | 246 834 | 256 508 | 296 000 | 300 000 |
| - RM 40..... | " | 196 834 | 206 508 | 246 000 | 250 000 |
| - DB..... | " | 176 834 | 186 508 | 226 000 | 230 000 |

OPERATION RIZ SEGOU

| Qualités | Unité | Prix de Cession Carreau-Usine | Prix de Retrocession | Prix de Détail |
|---|---|---|---|---|
| - E.L.B..... | FM/TONNE | 351 920 | 326 000 | 330 000 |
| - RM 25..... | " | 321 920 | 296 000 | 300 000 |
| - RM 40..... | " | 271 920 | 246 000 | 250 000 |
| - DB..... | " | 251 920 | 226 000 | 230 000 |

OPERATION RIZ MOPTI : PM

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SECRETARIAT GENERAL DU GOUVERNEMENT

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UN PEUPLE- UN BUT-UNE FOI

/_____)ECRET /)/° 142 /PG-RM

PORTANT NOMINATION DES MEMBRES DU CONSEIL D'ADMINISTRATION DE L'OFFICE DES PRODUITS AGRICOLES DU MALI

oooooooo

LE PRESIDENT DU GOUVERNEMENT,

Vu la Constitution,

Vu la loi n°82-36/AN-RM du 20 Mars 1982 abrogeant et remplaçant la loi n° 65-7/AN-RM du 13 Mars 1965 portant création de l'Office des Produits Agricoles du Mali (OPAM) ;

Vu le décret n°68/PG-RM du 26 Mars 1982 portant Organisation et modalités de fonctionnement de l'Office des produits Agricoles du Mali ;

Vu le décret n°151/PG-RM du 6 Juillet 1982 portant nomination des Membres du Gouvernement.

STATUANT EN CONSEIL DES MINISTRES ;

/_____) E C R E T E :

ARTICLE 1ER : Sont nommés es-qualité membres du Conseil d'Administration de l'Office des Produits Agricoles du Mali :

- Monsieur le Ministre d'Etat chargé de l'Economie et du Plan : Président
- MM. Najim Ould HAMADY, Conseiller Technique à la Présidence du ..... Gouvernment..... Membre
- Souleymane DOUCOURE, Conseiller Technique au Ministère de..... l'Intérieur ..... Membre
- Kabiné DIANE , Conseiller Technique au Ministère du..... Plan ;;.....Membre
- Kalfa SANOGO, Conseiller Technique au Ministère au Ministère de ..... l'Agriculture.....Membre
- Issaga DEMBELE, Directeur Général de l'Office de Stabilisation et de Régulation des prix.....Membre
- Mory SIDIBE, Directeur Général de l'Office National des ..... Transports..... Membre
- Karim DIARRA, Directeur du Crédit de la B.D.M..... Membre

- Hamet THIAM, Inspecteur des Finances au Ministère des Finances....Membre

ARTICLE 2 : Le Ministre d'Etat chargé de l'Economie et du Plan est chargé de l'exécution du présent décret qui abroge toutes dispositions antérieures et sera enregistré au Journal Officiel

KOULOUBA, le 26 MAI 1983

LE MINISTRE D'ETAT CHARGE DE L'ECONOMIE ET DU PLAN

OUMAR COULIBALY

LE PRESIDENT DU GOUVERNEMENT

GENERAL D'ARMEE MOUSSA TRAORE

MINISTERE D'ETAT CHARGE
DE L'ECONOMIE ET DU PLAN

CABINET

REPUBLIQUE DU MALI
Un Peuple-Un But-Un Foi

# ARRETE N° 941 /MEEP/CAB

**Fixant les conditions d'application du Décret n° 77/PG-RM du 26 Mars 1982 portant création d'un Comité d'Orientation et de Coordination ( C.O.C. ).**

Vu la Constitution.

Vu la Loi n° 82-36/AN-RM abrogeant et remplaçant la Loi n° 65-7/AN-RM du 13 Mars 1965 portant création de l'Office des Produits Agricoles du Mali (O.P.A.M.).

Vu le Décret n° 68/PG-RM portant organisation et modalités de fonctionnement de l'Office des Produits Agricoles du Mali.

Vu le Décret n° 151/PG-RM du 6 Juillet 1982 portant nomination des membres du Gouvernement de la République du Mali.

Vu le Décret n° 77/PG-RM portant création d'un Comité d'Orientation et de Coordination ( C.O.C. ).

LE MINISTRE D'ETAT CHARGE DE L'ECONOMIE ET DU PLAN

ARRETE :

ARTICLE 1 : Le Comité d'Orientation et de Coordination ( C.O.C. ) créé dans le cadre du projet "Restructuration du Marché Céréalier" est ainsi composé :

| | |
|---|---|
| - le Ministre chargé du Commerce ou son représentant | PRESIDENT |
| - Le Ministre de l'Intérieur ou son représentant | MEMBRE |
| - Le Ministre chargé de l'Agriculture ou son représentant | MEMBRE |
| - Le Ministre des Finances ou son représentant | MEMBRE |
| - Le Directeur Général de la Coopération Internationale | MEMBRE |
| - Le Directeur National des Affaires Economiques | MEMBRE |
| - Le Directeur Général de la B.D.M. | MEMBRE |
| - Le Directeur Général de l'O.S.R.P. | MEMBRE |
| - Le Directeur Général de l'O.N.T. | MEMBRE |
| - Le Directeur Général de la COMANAV | MEMBRE |
| - Le Directeur Général de l'O.P.A.M. | MEMBRE |
| - Le Directeur National de la Coopération | MEMBRE |
| - Le Président de la Chambre de Commerce et d'Industrie | MEMBRE |

ARTICLE 2 : Les 2 représentants des Donateurs seront désignés par le "Comité de Gestion des Donateurs du P.R.M.C.".

ARTICLE 3 : Le Comité d'Orientation et de Coordination ( C.O.C. ) qui se réunit sur convocation de son Président, a compétence pour coordonner toutes les mesures concernant le marché céréalier et pour formuler des recommandations pour l'utilisation du fonds de contrepartie.

ARTICLE 4 : Le présent arrêté sera enregistré, publié et communiqué partout où besoin sera./.-

Fait à KOULOUBA, le 18 MARS 1983

LE MINISTRE D'ETAT CHARGE
DE L'ECONOMIE ET DU PLAN

Oumar COULIBALY
Chevalier de l'Ordre National

AMPLIATIONS/

- Présidence du Gouvernement..... 3
- Bureau du Courrier..... 2
- Original..... 1
- Ministère de l'Intérieur ..... 1
- Ministère de l'Agriculture.....1
- Ministère des Finances .....1
- Chambre de Commerce ..... 1
- Directions concernées ..... 8
- Comité de Gestion des Donateurs du P.R.M.C. ..... 5
- Archives ..... 3

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Un Peuple - Un But - Une Foi

# DECRET N° 232 /PG-RM

## PORTANT REGLEMENTATION DE LA CAMPAGNE CEREALIERE 1982 / 1983

LE PRESIDENT DU GOUVERNEMENT,

VU la Constitution.

VU le Décret n° 66/PG-RM du 2 Mars 1962 réglementant le conditionnement des Produits du Mali.

VU l'Ordonnance n° 78-15/CMLN du 3 Mai 1978 portant régime général des Prix et Repression des Infractions à la Législation Economique.

VU le Décret n° 188/PG-RM du 14 Novembre 1975 portant détermination de la procédure de fixation des prix en République du Mali.

VU le Décret n° 120/PG-RM du 3 Mars 1978 portant réglementation des Prix.

VU le Décret n° 15 / PGM du 6 Juillet 1982 portant nomination des membres du Gouvernement.

STATUANT EN CONSEIL DES MINISTRES

DECRETE :

ARTICLE 1er : La date d'ouverture de la campagne de commercialisation des Céréales 1982/83 est fixée au 1er Novembre 1982.

ARTICLE 2 : Est autorisée pour la commercialisation du Mil - Maïs - Sorgho sur tout l'étendue du territoire national, toute personne physique ou morale exerçant en République du Mali une activité commerciale ou agricole et ayant obtenu au préalable l'agrément du Ministre chargé du Commerce.

Les achats seront effectués par :

- l'OPAM
- les commerçants agréés
- les coopératives.

Les Opérations de Développement spécialisées (Mil Mopti, Mil Koarta, ODIPAC, CMT) commercialiseront pour le compte de l'OPAM dans leurs zones d'intervention. L'Opération Mil Mopti et le CMT commercialiseront sur la base de leurs propres barèmes conformément au présent Décret.

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ARTICLE 3 : La commercialisation du Paddy et du Riz dans les zones encadrées sera effectuée exclusivement par l'Office du Niger, l'Opération Riz Ségou, l'Opération Riz Mopti et la CMDT dans leurs zones respectives pour le compte de l'OPAM.

ARTICLE 4 : Les exportations de céréales sont interdites.

ARTICLE 5 : Les prix d'achat minimum garantis au producteur sont uniformément fixés comme suit sur toute l'étendue de la République du Mali :

- Mil ..... 90 FM/Kg
- Maïs ..... 95 FM/Kg
- Blé ..... 154,8 FM/Kg
- Paddy Blanc ..... 110 FM/Kg
- Paddy mélangé ..... 85,80FM/Kg
- Paddy rouge ..... 61,60FM/Kg

ARTICLE 6 : Le paddy est considéré comme mélangé dans la limite de 50% de Paddy rouge. Au-delà de ce taux, il sera classé comme Paddy rouge et payé comme tel. Les prix de retrocession du Paddy dans les centres producteurs sont fixés comme suit :

| | PADDY BLANC | PADDY BLANC ETUVE |
|---|---|---|
| Le Kg | 168,3 FM | 168,3 FM |

Dans les autres localités non productrices de Paddy, ces prix seront majorés des frais d'approche calculés selon les barèmes officiels sur l'itinéraire et par le mode de transport le plus avantageux.

ARTICLE 7 : L'importation et la distribution des céréales à la consommation sont libres pour toute personne physique ou morale ayant la qualité de commerçant.
Dans le cadre de sa mission, l'OPAM garantira aux consommateurs et sur toute l'étendue du territoire national les prix de vente ci-dessous :

| PRODUITS | UNITE | PRIX DE DETAIL |
|---|---|---|
| - Mil - Sorgho - Maïs ..... | Kg | 125 FM |
| - Riz ELB ..... | Kg | 330 FM |
| - Riz RM 25 ..... | Kg | 300 FM |
| - Riz RM 43 ..... | Kg | [illegible] FM |

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ARTICLE 8 : Le prix plafond au consommateur sur le marché libre du Mil - Maïs - Sorgho est uniformément fixé à 140 FM/Kg sur toute l'étendue du territoire.

ARTICLE 9 : L'OPAM achètera au prix barème et conformément à la qualité les riz de l'Office du Niger, de l'Opération Riz Ségou, de l'Opération Riz Mopti et de la CMDT. Au cas où la qualité du riz ne correspondrait pas à une qualité du barème, l'OPAM et son partenaire définiront une qualité intermédiaire et en fixeront le prix d'un commun accord.

ARTICLE 10 : Les prix de cession, de retrocession et de vente au consommateur du Blé dans les centre de Diré et Goundam sont fixés comme suit :

- Prix de cession ..... 172,75 Francs le Kg
- Prix de retrocession ..... 219,80 Francs le Kg

Dans les autres localités de la République ces prix seront majorés des frais d'approche calculés aux tarifs officiels sur l'itinéraire et par le mode de transport le plus avantageux.

ARTICLE 11 : Les barèmes de prix annexés au présent Décret sont adoptés.

ARTICLE 12 : Les infractions aux dispositions du présent Décret sont passibles des sanctions prévues par la législation en vigueur.

ARTICLE 13 : Toutes dispositions antérieures contraires sont abrogées.

ARTICLE 14 : Le Ministre d'Etat chargé de l'Economie et du Plan, le Ministre des Finances, le Ministre chargé du Développement Rural, le Ministre de l'Agriculture, le Ministre de la Défense Nationale, le Ministre de l'Intérieur, le Ministre des Transports et des Travaux Publics, le Ministre de la Justice, Garde des Sceaux sont chargés, chacun en ce qui le concerne de l'application du présent Décret qui sera enregistré et publié au Journal Officiel de la République du Mali./.-

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Kouloubo, Le 1er Novembre 1982 -

Le Président du Gouvernement
Ministre de la Défense Nationale

Général Moussa TRAORE

Le Ministre d'Etat chargé de l'Economie et du Plan

Oumar COULIBALY

Le Ministre chargé du Développement Rural

Mady DIALLO

Le Ministre de l'Agriculture

N'Fagnanama KONE

Le Ministre des Finances

Drissa KEITA

Le Ministre des Transports et des Travaux Publics /PI
Le Ministre de Tutelle des Sociétés et Entreprises d'Etat

Bandibugou Bidia DOUCOURE

Le Ministre de l'Intérieur

Lt Colonel Abdourahmane MAIGA

Le Ministre de la Justice, Garde des Sceaux

Lt Colonel Issa DNGOIBA

AMPLIATIONS :

- Original ..... 1
- JORM ..... 1
- Présidence du Gouvernement ..... 5
- Ts Départements Ministériels ..... 18
- SGG ..... 10
- Cour Suprême ..... 5
- CGE ..... 6
- Assemblée Nationale ..... 5
- Gouverneurs de Régions ..... 8
- MEEP (Dtions Nles) ..... 10
- MF (Dtions Nles) ..... 10
- C/Financier et Trésor ..... 2
- Dtion Gle Information ..... 5
- [illegible] ..... 10
- [illegible] ..... 7
- [illegible] ..... 6

MINISTERE D'ETAT CHARGE DE
L'ECONOMIE ET DU PLAN

DIRECTION NATIONALE DES
AFFAIRES ECONOMIQUES

REPUBLIQUE DU MALI
Un Peuple - Un But - Une Foi

# ARRETE N° 3414 /MEEP - DNAE

Portant modalités d'application du Décret n° 67 /PG - RM du 6 Mars 1982 portant Organisation du Commerce de Céréales.

-:-:-:-:-:-:-

LE MINISTRE D'ETAT CHARGE DE L'ECONOMIE ET DU PLAN

VU la Constitution de la République du Mali du 2 Juin 1974 modifiée par l'Ordonnance n° 79 - 42 /CMLN du 11 Mai 1979,

VU l'Ordonnance n° 58 /CMLN du 14 Octobre 1975 portant règlementation de la profession de Commerçant en République du Mali,

VU la Loi n° 82 - 35 /AN - RM du 20 Mars 1982 fixant la régime du Commerce des Céréales,

VU le Décret n° 151 /PG - RM du 6 Juillet 1982 portant nomination des membres du Gouvernement de la République du Mali,

VU le Décret n° 67 /PG - RM du 6 Mars 1982 portant organisation du Commerce de Céréales.

## ARRETE :

Article 1er.- La Commission visée à l'article 1 du Décret n° 67 /PG-RM du 6 Mars 1982 est obligatoirement saisie de toutes les demandes d'agrément au titre de commerçant grossiste de céréales.

Article 2.- Les Gouverneurs de Région constitueront au niveau de leur circonscription, une commission similaire chargée de l'examen des dossiers des commerçants détaillants de céréales.

Article 3.- La Commission est présidée par le représentant du Ministre chargé du Commerce. Au niveau régional, elle est présidée par le représentant du Gouverneur de région.

Article 4.- Le Secrétariat de la Commission est tenue par les Affaires Economiques. Le Secrétariat est chargé de l'organisation des réunions, de l'examen préalable des dossiers à soumettre à la Commission, de la préparation et de la transmission des documents à l'autorité compétente pour approbation, de la centralisation des statistiques d'agrément au titre des commerçants de céréales.

Article 5.- La Commission se réunit sur convocation de son président. Elle peut valablement délibérer en présence de 2/3 des Membres.

L'avis de la Commission est recueilli suivant la règle du consensus général.

L'appréciation des dossiers se fera en fonction des critères suivants :

- la moralité de l'intéressé,
- sa surface financière,
- son expérience dans le commerce de céréales,
- son activité principale.

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Article 6.- L'autorisation d'exercer la profession de commerçant de céréales est subordonnée à l'agrément préalable au titre de commerçant conformément aux dispositions de l'Ordonnance n° 58 /CMLN du 14 Octobre 1975 et ses décrets d'application.

Article 7.- La demande d'agrément est adressée au Ministre chargé du Commerce ou au Gouverneur de région selon la catégorie de commerçants concernés (grossiste, détaillant, suivant le tarif des Patentes défini par le Code Général des Impôts)

L'autorisation est délivrée par le Ministre chargé du Commerce pour les grossistes, et le Gouverneur de région pour les détaillants.

La demande d'agrément au titre de grossiste doit obligatoirement revêtir l'avis motivé du Gouverneur de région.

Le Gouverneur de région tiendra régulièrement informé le Ministre chargé du Commerce des agréments délivrés à son niveau.

Article 8.- La demande timbrée à 1 000 francs pour les grossistes et 500 francs pour les détaillants est accompagnée des pièces suivantes :

1°/- Copie lettre et carte professionnelle d'agrément de commerçant conformément à l'ordonnance n° 58 /CMLN du 14 Octobre 1975

2°/- Etat descriptif du lieu d'exercice faisant ressortir l'adresse la nature des matériaux de construction et les dimensions des magasins de stockage et vente.

Article 9.- L'importation des céréales se fait conformément à la règlementation en vigueur sur le commerce extérieur.

Article 10.- Les commerçants grossistes doivent nécessairement avoir un magasin de stockage déclaré par l'autorité compétente, conforme aux conditions requises par la règlementation en vigueur pour l'entreposage et la conservation des denrées. Alimentaires.

Article 11.- Le commerçant grossiste qui désire également faire le commerce de détail des céréales, est tenu d'avoir un magasin approprié distinct à cet effet.

Article 12.- Les magasins de vente de céréales doivent être identifiés par des écriteaux indiquant de manière correcte et lisible, les noms et prénoms du commerçant et le numéro de l'autorisation.

Article 13.- Au niveau des magasins de vente au public, les prix des céréales doivent être affichés de manière évidente et lisible, avec indication de la qualité et de l'origine du produit (local, d'importation)

Article 14.- Les grossistes sont astreints à la tenue d'un registre spécial faisant ressortir les mouvements des stocks (entrées, sorties)

Une déclaration de ces mouvements devra être faite mensuellement à la Direction Nationale des Affaires Economiques.

Article 15.- Toute infraction aux présentes dispositions pourra entrainer l'annulation de l'autorisation sans préjudice de l'application de la réglementation économique en vigueur.

Article 16.- Les agents déjà installés dans le circuit du commerce de céréales disposent d'un délai de trois (3) mois pour se conformer aux présentes dispositions.

.../....3

Article 17.- Le présent arrêté prend effet pour compter de sa date de signature, il sera enregistré, publié et communiqué partout où besoin sera./.-

AMPLIATIONS /

- Présid.Gouv..... 5
- Tous Dept.Minist..... 18
- D.N.A.E..... 20
- Chambre de Commerce & Ind.. 2
- Assemblée Nationale..... 2
- JO - RM..... 2
- Dtion Information..... 2
- Gouv. Région..... 8
- Cour Suprême..... 3
- S.G.G..... 3

BAMAKO, le 5 OCT. 1982

LE MINISTRE D'ETAT CHARGE DE L'ECONOMIE ET DU PLAN

Oumar COULIBALY
Chevalier de l'Ordre National

SIDENCE DU GOUVERNEMENT
RIAT GENERAL DU GOUVERNEMENT
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REPUBLIQUE DU MALI
Un Peuple-Un But-Une Fo
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Décret N° 77 /PG-RM
portant Création d'un Comité
d'orientation et de Coordination (C.O.C)

LE PRESIDENT DU GOUVERNEMENT,

Vu la Constitution

Vu la Loi N° 82-36/ANRM du 20-03-82 abrogeant et remplaçant la loi N° 65-7/ANRM du 13 Mars 1965 portant création de l'Office des Produits Agricoles du Mali (OPAM)

Vu le Décret N° 68 /PG-RM portant organisation et modalités de fonctionnement de l'Office des Produits Agricoles du Mali

Vu le Décret N° 171/PG-RM du 2 Août 1980 portant nomination des membres du Gouvernement

Statuant en Conseil des Ministres

DECRETE

Article 1 : Il est créé dans le cadre du projet de "Restructuration du Marché Céréalier" un Comité d'Orientation et de Coordination (C.O.C).

Article 2 : Le Comité d'Orientation et de Coordination a pour rôle :
- d'examiner tous les rapports ayant trait aux activités du projet
- d'examiner le rapport du Directeur Général de l'OPAM portant sur le développement du projet pendant la période écoulée et sur le programme de travail envisagé.
- de conseiller le gouvernement sur tous les aspects se rapportant à l'exécution du projet
- d'assurer la liaison avec le "Comité de gestion du Projet".

Article 3 : le Comité d'Orientation et de Coordination est composé de représentants nommés par le gouvernement et les représentants d'organismes donateurs.

Article 4 : le Ministre chargé du Commerce assure la Présidence du Comité.

Article 5 : le Comité se réunit sur convocation de son Président, selon une périodicité à déterminer par le C.O.C.

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Article 6 : le Comité d'Orientation et de Coordination peut inviter à prendre part à ses débats, toute personne compétente pour l'éclairer sur les problèmes du projet.

Article 7 : Les rapports et recommandations du Comité d'Orientation et de Coordination sont adressés au Ministre chargé du Commerce qui communique au Comité les décisions du gouvernement.

Article 8 : Un arrêté du Ministre chargé du Commerce fixe la composition et la liste nominative des membres du C.O.C.

Article 9 : le Présent Décret qui prend effet pour compter de la Constitution du Comité d'Orientation et de Coordination, sera enregistré et publié au Journal Officiel.

Koulouba le

LE PRESIDENT DU GOUVERNEMENT
Général Moussa TRAORE

Le Ministre des Finances et du Commerce
Drissa KEITA

PRESIDENCE DU GOUVERNEMENT
SECRETARIAT DU GOUVERNEMENT
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REPUBLIQUE DU MALI
Un Peuple-Un But-Une Foi
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Décret N° 85 /PG-RM
portant Organisation et Modalités
de Fonctionnement de l'Office des
Produits Agricoles du Mali (OPAM)

LE PRESIDENT DU GOUVERNEMENT,

Vu la Constitution

Vu la loi N° /abrogeant en remplaçant la loi N° 65-7/ANRM du 13 Mars 1965 portant création de l'Office des Produits Agricoles du Mali

Vu le Décret N° 171 PG-RM du 2-8-1980 portant nomination des membres du Gouvernement.

Statuant en Conseil des Ministres,

DECRETE

Titre I- Dispositions Générales

Article 1 : Le présent décret fixe les modalités d'organisation et de fonctionnement de l'Office des Produits Agricoles du Mali (OPAM).
Le siège de l'Office des Produits Agricoles du Mali est fixé à Bamako, il peut être transféré en tout autre lieu de la République.

Article 2 : L'Office des Produits Agricoles du Mali est placé sous la Tutelle du Ministre chargé du Commerce.
- Dans le cadre de l'exercice de sa mission l'OPAM peut s'enquérir de l'avis du "Comité d'Orientation et de Coordination".

Titre II- Administration et Organisation

Article 3 : Les organes d'Administration et de Gestion de l'OPAM comprennent :
- le Conseil d'Administration
- la Direction Générale.

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## Chapitre 1- Du Conseil d'Administration

### Section I- Attribution

Article 4 : Sans préjudice des attributions de l'Autorité de Tutelle, le Conseil d'Administration exerce, dans les limites des lois et règlements en vigueur, les attributions suivantes :

- Définir le programme d'action de l'office sur proposition du Directeur Général ;
- Dégager les voies et moyens d'exécution de ce programme ;
- Exercer toutes actions judiciaires tant en demandant qu'en défendant ;
- arrêter les comptes qui lui sont soumis.
- Contracter des Emprunts avec l'aval du Gouvernement
- Examiner les rapports d'activités des projets d'assistance technique et Conseiller le Gouvernement sur tous les aspects de ces projets.

Article 5 : Les délibérations du Conseil d'Administration sont exécutoires un mois après leur réception par l'autorité de tutelle si celle-ci n'a pas notifié son opposition au Directeur Général avant l'expiration de ce délai.

### Section II- Composition

Article 6 : Le Conseil d'Administration de l'OPAM est présidé par le Ministre chargé du Commerce ou son représentant.

Il comprend :

1°) au titre des représentants des pouvoirs publics :

- un représentant de la Présidence ;
- le Ministre de l'Intérieur ou son représentant ;
- le Ministre du Plan ou son représentant ;
- le Ministre de l'Agriculture ou son représentant ;
- le Ministre des Transports et des Travaux Publics ou son représentant ;
- le Directeur Général de la Banque de Développement du Mali ;
- le Directeur Général de l'O.N.S.P.

2°) Au titre des représentants des travailleurs de l'Office des Produits Agricoles du Mali, deux représentants des travailleurs de l'OPAM.

Article 7 : le Directeur Général de l'OPAM et l'Agent Comptable assistent au Conseil d'Administration avec voix consultative.

Le Conseil d'Administration peut en outre entendre, à titre consultatif toute personne dont l'avis peut lui être utile.

Article 8 : La liste nominative des administrateurs fera l'objet d'un Décret pris en Conseil des Ministres.

## Section III- Fonctionnement

Article 9 : Le Conseil d'Administration se réunit en séance ordinaire au moins deux fois par an. Il peut tenir des séances extraordinaires soit à l'initiativ de son Président, soit à la demande de la moitié de ses membres.

Il arrête son règlement intérieur.

Article 10 : Le Conseil d'Administration est convoqué par son Président quinze jours au moins avant la réunion. En cas d'urgence, ce délai peut être ramené à dix jours.

Article 11 : La convocation comporte le projet d'ordre du jour arrêté par le Président du Conseil d'Administration, sur proposition ou après avis du Directeur Général.
La convocation est accompagnée des documents et pièces à examiner par le Conseil.

Article 12 : la présence des deux tiers au moins des membres est nécessaire à la validité des délibérations du Conseil d'Administration.
Les décisions sont prises à la majorité absolue ; en cas de partage des voix, celle du Président est prépondérante.

Article 13 : Les séances du Conseil d'Administration ne sont pas publiques.
Le Sécretariat du Conseil d'Administration est assurée par la Direction de l'OPAM. Le Sécretaire dresse le Procès-Verbal des délibérations du Conseil et le transcrit dans un registre spécial.
Chaque Procès-Verbal est signé par le Président et le Sécretaire.
Il est transmis dans les quinze jours à tous les membres du Conseil d'Administration et à toute personne ayant assisté, avec voix consultative à la réunion du conseil.

## Chapitre II- Des structures de l'OPAM

Article 14 : la Direction Générale de l'OPAM est confiée à un Directeur Général, secondé et assisté d'un Directeur Général Adjoint nommé par arrêté du Ministre chargé du Commerce. L'arrêté de nomination fixe les attributions spécifiques du Directeur Général Adjoint.

Article 15 : le Directeur Général est chargé de veiller à la bonne marche de l'OPAM. Il exerce les pouvoirs nécessaires à l'exécution de sa mission notamment ceux énoncés ci-après :

- il est ordonnateur du Budget
- il recrute, licencie tous les agents et employés de l'office à l'exception du Directeur Général Adjoint et de l'Agent Comptable dans le respect des effectifs fixés par le Budget prévisionnel et selon la règlementation en vigueur ;
- il veille à l'application des décisions prises par le Conseil d'Administration
- il représente l'office dans tous les actes de la vie civile.

Article 16 : le Directeur Général rend compte de l'activité de l'OPAM par un rapport qu'il soumet au Conseil d'Administration à chacune de ses réunions.

Article 17 : En application des décisions du Conseil d'Administration, le Directeur Général arrête l'organigramme de l'Office.

## Chapitre III- Du Comité de Gestion

Article 18 : Il est institué au sein de l'office des Produits Agricoles du Mali (OPAM) un Comité de Gestion dont le rôle consiste à associer les travailleurs à la gestion de l'entreprise.

Il se réunit périodiquement sur convocation du Directeur de l'Office qui en assume la Présidence.

Le Comité de gestion est composé des Chefs de Service et de quatre représentants au maximum, désignés par les travailleurs.

Article 19 : le Comité de Gestion doit être notamment consulté pour les problèmes d'organisation, d'amélioration des conditions de travail et de la productivité, des questions touchant à la discipline générale du travail. Il établit le règlement intérieur et est régulièrement tenu informé de la marche de l'entreprise et notamment sa situation financière.

## Titre III- Dispositions financières

Article 20 : l'Agent Comptable de l'OPAM est nommé par arrêté conjoint des Ministres chargés du Commerce et des Finances.
Il tient la comptabilité des deniers et des matières conformément aux règles de gestion financière applicable à l'OPAM.
Il exerce ses attributions sous l'autorité administrative du Directeur Général de l'Office des Produits Agricoles du Mali.

Article 21 : les règles de comptabilité de l'OPAM sont celles de la Comptabilité Commerciale.

Article 22 : l'OPAM pourvoit à des dépenses ordinaires et à des dépenses extraordinaires.
Les dépenses ordinaires ou d'exploitation comprennent :
- le règlement des salaires, primes, cotisations, taxes, relatifs au personnel de l'office
- les impôts, droits et taxes dont l'OPAM est redevable en application de la règlementation en vigueur,
- le règlement des services,
  abonnement et fourniture d'énergie, d'eau, redevances téléphoniques,
- le règlement des dettes exigibles
- les dépenses relatives à l'entretien et à la réparation des bâtiments, outillages et installations
- les annuités de renouvellement et d'amortissement, et d'une manière générale, toutes les dépenses d'exploitation et de fonctionnement de de l'Office.

Les dépenses extraordinaires concernent les travaux relatifs à l'amélioration, à la transformation ou à l'extension des installations existantes.

Article 23 : le Bilan doit être arrêté au plutard trois (3) mois après la clôture de l'exercice et transmis au Conseil d'Administration après certification par le Contrôle Général d'Etat.

Titre IV- Du fonds Social

Article 24 : Il est créé au sein de l'OPAM un fonds social alimenté en partie par prélèvement sur les bénéfices nets réalisés.
Les modalités de gestion et de financement de ce fonds feront l'objet d'un arrêté du Ministre de Tutelle de l'OPAM.

3 Titre V- Dispositions finales

Article 25 : Les modalités particulières de gestion financière de l'OPAM seront fixées par arrêté conjoint des Ministres chargés du Commerce et des Finances.

Article 26 : sont abrogées toutes dispositions antérieures contraires.

Article 27 : le Ministre des Finances et du Commerce est chargé de l'exécution du présent decret qui sera enregistré et publié au Journal Officiel.

Koulouba le

LE PRESIDENT DU GOUVERNEMENT

DRISSA KEITA

Général Moussa TRAORE

PRIMATURE DU GOUVERNEMENT
SECRETARIAT GENERAL DU GOUVERNEMENT
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REPUBLIQUE DU MALI
Un Peuple-Un But-Une Foi
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Décret N° 67 /PG - RM
portant organisation du Commerce
des Céréales.

Vu la constitution,
Vu la Loi N° 82-35 /ANRM fixant le régime du Commerce des Céréales
Vu le Décret N° 270/PG-RM du 24-11-1962 fixant les conditions d'exercice du Commerce de gros et de détail des Céréales en République du Mali
Vu le Décret N° 171/PG-RM du 2-8-1980 portant nomination des membres du Gouvernement

Statuant en Conseil des Ministres

DECRETE

Article 1 : L'agrément pour le Commerce des Céréales est accordé par le Ministre chargé du Commerce sur avis d'une commission constituée comme suit :
le Ministre chargé du Commerce ou son représentant
le Ministre de l'Intérieur ou son représentant
le Ministre chargé de l'Agriculture ou son représentant
le Ministre des Finances ou son représentant
le Ministre de la Défense (Services de Sécurité)
le Directeur National des Affaires Economiques
le Directeur Général de la B.D.M.
le Directeur Général de l'Office National des Transports (ONT)
le Directeur Général de l'OPAM
le Président de la Chambre de Commerce et d'Industrie ou son représentant.

La Commission peut s'adjoindre toute personne compétente dont l'avis lui parait utile.

Article 2 : La Commission d'Agrément statue sur les dossiers de candidatures qui lui sont transmis par les gouverneurs de Régions, suivant les modalités qui seront fixées par l'arrêté d'application prévu à l'article 3 ci-après.

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Article 3 : Un arrêté fixera ultérieurement les conditions d'application du présent décret.

Article 4 : Le présent décret sera enregistré et publié au Journal Officiel.

Koulouba le 26 Mars 1982

Le Président du Gouvernement

Général Moussa TRAORE

Le Ministre des Finances et du Commerce

Drissa KETTA

ASSEMBLEE NATIONALE
-o-o-o-o-

REPUBLIQUE DU MALI
Un Peuple-Un But-Une Foi
-o-o-o-o-

LOI N° 82 - 35 / ANRM

fixant le régime du Commerce des Céréales.

L'Assemblée Nationale

Vu la Constitution

Vu l'Ordonnance N° 58/CMLN du 14 Octobre 1975 portant règlementation de la profession de Commerçant en République du Mali

Vu l'Ordonnance N° 27/CMLN du 29 Juin 1970 portant statut général des auxiliaires du commerce

Vu l'Ordonnance N° 49/PG-P-RM du 18 Novembre 1960 accordant le Monopole de la Commercialisation des produits agricoles de l'Office du Niger dans le domaine rélevant de cet organisme

Vu l'Ordonnance N° 5/CMLN du 12 Février 1973 portant répression du traffic clandestin des céréales et de la hausse ou la baisse artificielle du prix de ces produits.

Vu la Loi N° 63/21/ANRM du 25 Janvier 1963 portant statut général de la Coopération.

A délibéré et adopté la loi dont la teneur suit :

## Chapitre I- du Commerce Intérieur

Article 1 : le Commerce des Céréales, à l'intérieur du territoire National, est ouvert à l'OPAM, aux Coopératives, ainsi qu'à toute personne physique et morale agréées à cet effet conformément aux prescriptions de l'Ordonnance N° 58/CMLN du 14 Octobre 1975 portant règlementation de la profession de commerçant.

Toutefois, la commercialisation du riz et du paddy dans les zones de riziculture encadrées est interdite aux commerçants privés.

Article 2 : Les personnes physiques et morales visées à l'article 1er ci-dessus, doivent en outre, s'engager à :

- concourir, le cas échéant, à la constitution du stock de sécurité alimentaire de l'OPAM, selon les modalités de cession qui seront fixées par convention, soit par une partie de leurs achats locaux, soit par leurs importations.

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- fournir régulièrement à l'administration des Affaires Economiques tous renseignements sur leurs achats et leurs stocks

- respecter les prix d'achat au producteur et les prix de vente autorisés.

Article 3 : Les personnes physiques et morales autorisées à exercer le commerce des céréales peuvent avoir recours au service de commissionnaires acheteurs-collecteurs.

Le régime d'intervention des commissionnaires acheteurs-collecteurs est celui fixé par l'ordonnance N° 27/CMLN du 29 Juin 1970 portant statut général des auxiliaires du commerce et ses textes d'application.

Chapitre II- Du commerce avec l'étranger

Article 4 : L'exportation des céréales, sauf autorisation spéciale accordée par le Ministre chargé du Commerce, est du ressort exclusif de l'OPAM.

Article 5 : L'importation des céréales est ouverte à l'OPAM et aux personnes physiques et morales agréés à cet effet.

Elle s'exerce conformément aux dispositions de légales et règlementaires fixant le régime général des importations.

Article 6 : Sont et demeurent abrogées les dispositions de l'ordonnance N° 5/CMLN du 13 Février 1973 interdisant de vendre sur les marchés les céréales importées.

Chapitre III- Dispositions finales

Article 7 : Les infractions aux dispositions de la présente loi sont sanctionnées, selon les cas, des peines prévues par la législation en vigueur.

Article 8 : Sont et demeurent abrogées toutes dispositions antérieures contraires.

Fait et délibéré en séance publique à Bamako le 8 Février 1982.

Le Sécretaire de séance
Boubacar SANKARE

Le Président de l'Assemblée Nationale
MADY SANGARE

REPUBLIQUE DU MALI
Un Peuple-Un But-Une Foi

Loi N° 82-36/ANRM abrogeant et remplaçant la loi N° 65-7/ANRM du 13 Mars portant création de l'Office des Produits Agricoles du Mali (OPAM)

L'Assemblée Nationale,

Vu la Constitution,

Vu l'Ordonnance N° 79-9/CMLN du 19 Janvier 1979 portant principes fondamentaux de la création, de l'organisation, de la gestion et du contrôle des Services Publics.

A délibéré et adopté la loi dont la teneur suit :

Titre I- Création, Nature juridique - Mission

Article 1er : Il est créé un établissement public à caractère industriel et commercial doté de la personnalité morale et de l'autonomie financière dénommé Office des Produits Agricoles du Mali (OPAM).

L'Office des Produits Agricoles du Mali est soumis aux règles régissant le commerce dans la mesure où il n'y est pas fait dérogation expresse par la présente loi.

Article 2 : L'Office des Produits Agricoles du Mali a pour mission :

- d'assurer la commercialisation des céréales, le ravitaillement correct des services reconnus d'utilité publique, notamment l'Armée, les Forces de Sécurité, les Etablissements hospitaliers, scolaires et pénitentiaires, et l'approvisionnement correct des zones déficitaires dont la liste sera établie annuellement,
- de constituer, gérer et conserver des stocks de réserve et de sécurité de céréales, permettant d'intervenir, en cas de besoin, sur tout le territoire National.
- d'assurer le respect des prix aux producteurs et aux consommateurs en stabilisant le marché céréalier.
- de gérer et de distribuer les aides alimentaires en céréales, conformément aux dispositions en vigueur.

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## Titre II- Administration - Tutelle

### Chapitre I- Administration

Article 3 : L'Office des Produits Agricoles du Mali (OPAM) est administré par un conseil d'administration et dirigé par un Directeur Général nommé par décret pris en conseil des Ministres.

Article 4 : Le Conseil d'Administration de l'OPAM est présidé par le Ministre chargé du Commerce. Il comprend :

- des représentants des pouvoirs publics
- des représentants des intérêts économiques
- des représentants des travailleurs de l'OPAM.

### Chapitre II- Tutelle

Article 5 : L'OPAM est placé sous la tutelle d'un Ministre désigné par décret pris en Conseil des Ministres.
L'autorité de tutelle veille à ce que l'OPAM réalise la mission pour laquelle il est créé.

Article 6 : Sont obligatoirement soumis à l'approbation de l'autorité de Tutelle :

- le budget prévisionnel
- le bilan, compte d'exploitation générale, compte des pertes et profits et autres documents comptables et financiers de l'exercice
- le rapport annuel et général sur la gestion et le fonctionnement de l'établissement.

Article 7 : Les actes d'acquisition ou de disposition d'immeubles, de même que les Baux, conventions et contrats d'un montant supérieur à 10.000.000 FM sont soumis à l'autorisation préalable de l'autorité de tutelle ainsi que les emprunts, l'acceptation des fonds d'aides extérieures, les dons et legs de toute nature assortis de conditions et charges.

Titre III- Régime Financier

Article 8 : L'OPAM est soumis aux règles de la comptabilité Commerciale.

Article 9 : Les recettes et dépenses de l'OPAM sont portées annuellement dans un budget prévisionnel dont la nomenclature est approuvée par le Conseil d'Administration.

L'exercice comptable de l'OPAM, commence le 1er Septembre de chaque année et se termine le 31 Août de l'année suivante.

Article 10 : La Comptabilité de l'OPAM est tenue par un Agent Comptable nommé par le Ministre de Tutelle de l'OPAM et le Ministre chargé des finances.

Article 11 : Les fonds libres de l'OPAM sont déposés dans un compte bancaire ouvert à la Banque de Développement du Mali (B.D.M).

Article 12 : Les ressources de l'OPAM comprennent :

- l'apport initial de l'Etat
- les fonds de concours des personnes morales et physiques, nationales ou étrangères
- les emprunts, dons et legs
- les revenus provenant de la vente des biens et services
- les revenus du patrimoine
- les recettes diverses
- la cession de recettes parafiscales et fiscales
- toute autre recettes à caractère exceptionnel.

Article 13 : les dépenses de l'OPAM comprennent :

- les dépenses de fonctionnement (personnel et matériel)
- les dépenses d'équipement et d'investissement
- le solde passif des exercices précédents
- les charges de la dette
- toutes autres dépenses en capital à caractère exceptionnel.

Titre IV - Dispositions particulières

Article 14 : Un fonds de réserve est constitué dans la mesure où l'OPAM réalise des bénéfices. Lorsque les nécessités économiques et les objectifs sociaux assignés à l'OPAM entrainent des pertes, le déficit est supporté par des subventions du gouvernement afin de conserver à l'office l'intégralité du fonds de roulement.

Article 15 : En fonction des objectifs sociaux que l'office assume, le gouvernement accorde à l'OPAM, un régime fiscal particulier.

Article 16 : En cas de dissolution, la dévolution des biens de l'office sera fixée par décret pris en conseil des Ministres.

Article 17 : Pour l'ensemble de ses activités l'OPAM est soumis aux contrôles et vérifications prévus par la législation en vigueur.

Article 18 : Sont et demeurent abrogées toutes les dispositions antérieures contraires notamment la loi N° 65-7/ANRM du 13 Mars 1965 portant création de l'Office des Produits Agricoles du Mali (OPAM).

Fait et délibéré en séance publique à Bamako
le 8 Février 1982.

Le Secrétaire de séance
BOUBACAR SANKARE

Le Président de l'Assemblée Nationale
MADY SANGARE

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PRESIDENCE DU GOUVERNEMENT

SECRETARIAT GENERAL DU GOUVERNEMENT

REPUBLIQUE DU MALI

Un Peuple - Un But - Une Foi

# DECRET N° 330 /PG-RM

## PORTANT REGLEMENTATION DE LA CAMPAGNE CEREALIERE 1981/1982

LE PRESIDENT DU GOUVERNEMENT,

VU la Constitution,

VU le Décret n° 66/PG-RM du 2 Mars 1962 réglementant le conditionnement des produits du Mali ;

VU l'Ordonnance n° 78-15/CMLN du 3 Mai 1978 portant régime général des Prix et Repression des Infractions à la Législation Economique ;

VU le Décret n° 188/PG-RM du 14 Novembre 1975 portant détermination de la procédure de fixation des prix en République du Mali ;

VU le Décret n° 120/PG-RM du 3 Mars 1978 portant réglementation des Prix ;

VU le Décret n° 171/PG-RM du 2 Août 1980 portant nomination des membres du Gouvernement ;

STATUANT EN CONSEIL DES MINISTRES,

DECRETE :

ARTICLE 1er : La date d'ouverture de la campagne de commercialisation des Céréales 1981/1982 est fixé au 1er Novembre 1981.

ARTICLE 2 : Est autorisée pour la commercialisation du Mil - Maïs - Sorgho sur toute l'étendue du territoire national, toute personne physique ou morale exerçant en République du Mali une activité commerciale ou agricole et ayant obtenu au préalable l'agrément du Ministre chargé du Commerce.

Les achats seront effectués par :

- l'OPAM
- les commerçants agréés
- les coopératives.

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Les opérations de développement spécialisées (Mil Mopti, Mil Kaarta, ODIPAC, CMDT) commercialiseront pour le compte de l'OPAM dans leurs zones d'intervention. L'Opération Mil Mopti et la CMDT commercialiseront sur la base de leur propre barème annexé au présent Décret.

ARTICLE 3 : La commercialisation du Paddy et du Riz dans les zones encadrées sera effectuée exclusivement par l'Office du Niger, l'Opération Riz Ségou, l'Opération Riz Mopti et la CMDT dans leur zone respective pour le compte de l'OPAM.

ARTICLE 4 : Les exportations de céréales sont interdites.

ARTICLE 5 : Les prix d'achat minimum garantis au producteur sont uniformément fixés comme suit sur toute l'étendue de la République du Mali :

- Mil ..... 85 F/kg
- Maïs ..... 90 F/kg
- Blé ..... 146,20 F/kg
- Paddy Blanc ..... 100 F/kg
- Paddy mélangé ..... 78 F/kg
- Paddy rouge ..... 56 F/kg

ARTICLE 6 : Le paddy est considéré comme mélangé dans la limite de 50% de Paddy rouge. Au-delà de ce taux, il sera classé comme paddy rouge et payé comme tel. Les prix de retrocession du paddy dans les centres producteurs sont fixés comme suit :

| | PADDY BLANC | PADDY BLANC ETUVE |
|---|---|---|
| Le Kg | 153,007 | 153,007 |

Dans les autres localités non productrices de Paddy, ces prix seront majorés des frais d'approche calculés selon les barèmes officiels sur l'itinéraire et par le mode de transport le plus avantageux.

ARTICLE 7 : L'importation et la distribution des céréales à la consommation sont libres pour toute personne physique ou morale ayant la qualité de commerçant.

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teurs et sur toute l'étendue du territoire national les prix de vente ci-dessous :

| PRODUITS | UNITE | PRIX DE RETROCESSION | PRIX DE DETAIL |
|---|---|---|---|
| - Mil - Sorgho - Maïs ..... | Kg | 112 | 116 |
| - Riz ELB ..... | Kg | 296 | 300 |
| - Riz RM 25 ..... | Kg | 286 | 290 |
| - Riz RM 40 ..... | Kg | 226 | 230 |
| - Riz BB ..... | Kg | 206 | 210 |

ARTICLE 8 : Le prix plafond au consommateur sur le marché libre du Mil - Maïs - Sorgh est uniformément fixé à 125 FM/kg sur toute l'étendue du territoire.

ARTICLE 9 : L'OPAM achètera au prix barème et conformément à la qualité les riz de l'Office du Niger, de l'Opération Riz Ségou, de l'Opération Riz Mopti et de la CMDT.

Au cas où la qualité du riz ne correspondrait pas à une qualité du barème, l'OPAM et son partenaire définiront une qualité intermédiaire et en fixeront le prix d'un commun accord.

ARTICLE 10 : Les prix de cession, de retrocession et de vente au consommateur du Blé dans les centres de Diré et Goundam sont fixés comme suit :

- Prix de cession ..... 163,15 Francs le kg
- Prix de retrocession ..... 207,60 Francs le kg

Dans les autres localités de la République ces prix seront majorés des frais d'approch calculés aux tarifs officiels sur l'itinéraire et par le mode de transport le plus avantageux.

ARTICLE 11 : Les barèmes de prix annexés au présent Décret sont adoptés.

ARTICLE 12 : Les infractions aux dispositions du présent Décret sont passibles des sanctions prévues par la Législation en vigueur.

ARTICLE 13 : Toutes dispositions antérieures contraires sont abrogées.

ARTICLE 14 : Le Ministre des Finances et du Commerce, le Ministre de l'Agriculture, le Ministre de la Défense Nationale, le Ministre de l'Intérieur, le Ministre [illegible] du Transport, le Ministre de la Justice, garde des Sc[illegible] sont chargés, chacun en ce qui le concerne, de l'application du présent Décret qui [illegible] au Journal [illegible] la République du Mali./.-

Best Available Document

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Annex E: Selected PRMC Documents

- Joint PRMC/ON donors' Paddy Marketing Liberalization Proposal (June 84)
- Letter of 02/22/84 (Paddy Marketing Liberalization Proposal)
- Letter of 01/18/84 (Proposal to Restructure ODR's)
- Memorandum of 11/16/81 (Modalities of Counterpart Fund)
- Memorandum of 07/07/81 (Duties of Project Coordinator)
- Letter of 03/31/81 (GRM Approval of PRMC)
- Letter of 11/28/80 (Original PRMC Proposal).

# PROJET DE PROTOCOLE

Entre :
le Gouvernement du Mali
Et :
les donateurs d'aide alimentaire regroupés dans le PRMC.
(Programme de Restructuration du Marché Céréalier au Mali)

Pour la libéralisation du commerce du paddy dans les zones de riziculture encadrées.

## Préambule :

Le Gouvernement du Mali souhaite mener à bien une libéralisation progressive du commerce du paddy dans les zones de riziculture encadrées.

Les donateurs du P.R.M.C. sont convaincus qu'à condition d'être progressive et d'être assortie de mesures d'accompagnement appropriées, la libéralisation du commerce du paddy permettra, sans préjudice pour le consommateur et à un coût supportable par l'Etat, d'obtenir une meilleure valorisation de la production des riziculteurs à leurs yeux cette meilleure valorisation constitue un élément essentiel de tout programme visant à lever les contraintes à l'intensification de la production, ainsi qu'à améliorer les revenus des producteurs.

Aux termes de ce protocole :

I) Le Gouvernement du Mali s'engage à libéraliser le commerce du paddy selon le processus suivant :

A. Campagne 84/85:

- libéralisation complète du commerce du paddy sur le périmètre de l'opération Riz Mopti (ORM):

- les producteurs de l'O.R.M. seront autorisés à commercialiser librement leur production auprès de commerçants privés du moment qu'ils auront acquitté leurs redevances et remboursé leur crédit [redacted].
- les commerçants privés agréés seront autorisés à acheter, vendre et transformer librement le paddy produit sur le périmètre de l'ORM.

- Sur le périmètre de l'Office du Niger l'année 84/85 sera consacrée à l'installation par les structures démocratiques nationales d'associations villageoises et à la responsabilisation des producteurs afin de transformer progressivement les colons de l'Office en paysans motivés.

  Dès la même année, la police économique sera retirée du périmètre de l'Office, permettant ainsi, à l'intérieur, la libre circulation des quantités retenues pour l'autoconsommation. Les points d'achats de l'Office seront établis en nombre suffisant.
  La B.N.D.A. (Banque Nationale de Développement Agricole) étudiera la mise en place d'un dispositif approprié aux besoins

- Sur le périmètre de l'Opération Riz Ségou, le même schéma sera appliqué

B Campagne 85/86 :

- La commercialisation à l'Office du Niger et à l'Opération Riz Ségou se déroulera dans le cadre de relations strictement contractuelles entre les groupements de producteurs, l'Office et des commerçants privés spécifiquement agréés.

- La B.N.D.A. dont les risques financiers feront l'objet d'une sécurisation par des fonds de contrepartie devra être opérationnelle pour les prêts.

. au cours de la campagne 85/86 la restructuration des O.D.R. et de l'Office devra être effectivement mise en oeuvre sur la base des décisions prises à la suite de l'actuelle étude dite de "deuxième phase".
Le principe de date d'ouverture et fermeture de la campagne de commercialisation devra être mis en application.

C . Campagne 86/87

. la libéralisation du commerce du paddy sera généralisée, les producteurs disposant librement de leur paddy une fois redevances payées et les crédits remboursés, et accompagnée du principe d'ouverture et fermeture de campagne de commercialisation.

II Les donateurs d'aide alimentaire groupés dans le PRMC s'engagent de façon ferme et solidaire à fournir:

A . Pendant la campagne 84/85

1) Opération Riz Mopti :

un soutien financier à l'ORM négocié chaque année sur une base contractuelle qui tiendra compte des interventions nécéssaires à la sauvegarde de l'outil de production et comportera un programme annuel de compression des coûts de fonctionnement.

un fonds de soutien pour la sécurisation des redevances

une subvention à la rizerie de Sévaré par :

une bonification par tonne de paddy usiné à façon, afin que cet usinage se fasse à un prix comparable à celui des décortiqueuses privées existantes
et/ou une subvention d'équilibre couvrant tout déficit éventuel par une baisse du tonnage traité (calculé sur la moyenne des 5 dernières années d'activité réelle)

Le même appui sera apporté à l'ORM pendant les campagnes 85/86/87

2) Office du Niger - Opération Riz Ségou et Opération Riz Mopti

Selon des modalités à définir, un financement à partir des fonds de contrepartie permettra la création d'un fonds B.N.D.A. qui assurant les risques financiers, permettra à celle-ci d'effectuer des prêts, dans un premier temps uniquement destinés à des groupements.

B . Pendant la campagne 85/86:

. Selon les mêmes modalités l'augmentation des fonds de sécurisation permettra à la BNDA d'effectuer des prêts à la fois à des groupements de producteurs ou à des producteurs isolés, pour couvrir les activités de production, commercialisation et transports.

C . Pendant la campagne 86/87:

. La création d'un fonds de soutien pour la sécurisation des redevances de l'Office du Niger et de l'Opération Riz Ségou, sera effective

. Si la restructuration des O.D.R. et de l'Office du Niger (commencée en 85/86) est significative, mise en place d'un soutien financier du PRMC à la restructuration en cours suivant des modalités à convenir et sur une base contractuelle

. Augmentation du soutien à travers la B.N.D.A.

. Dans le cadre de la libéralisation généralisée, négociation d'une sécurisation prolongée si nécessaire.

D . Pendant les 3 années (84/85; 85/86; 86/87) le P.R.M.C. sécurisera l'approvisionnement du circuit OPAM:

Les donateurs ont fourni au cours des 3 premières années du P.R.M.C. 205.000 tonnes de céréales (base maïs) sur les 250.000 tonnes programmées sur 5 ans.

Au reliquat de 45.000 tonnes (base maïs) les donateurs s'engageront à ajouter au cours des 3 prochaines années 155.000 tonnes (base maïs) soit un total de 200.000 tonnes (base maïs) pour les campagnes 84/85; 85/86; 86/87.

Sur ces 200.000 tonnes, 135.000 tonnes seront converties en 45.000 tonnes de riz (application de la formule 3X1) qui viendront sécuriser le circuit OPAM pour cette nature de céréale.

Les produits nets de la vente de ces dons seront reversés comme par le passé sur le fonds commun de contrepartie couvert à la BDM.
Les engagements des donateurs concernant l'OPAM demeurent valables pendant la durée du programme.

Le 18 janvier 1984

Monsieur le Ministre,

Suite à la réunion du 10 janvier 1984 à laquelle vous avez bien voulu nous convoquer, nous avons l'honneur de vous confirmer les points suivants :

- les Donateurs rappellent leur attachement aux principes du Projet de Restructuration du Marché Céréalier et notamment à la politique des prix et ce quelle que soit l'extension qui pourrait être apportée à ce projet et définie d'un commun accord dans l'avenir.

- Concernant l'utilisation des fonds de contrepartie, nous confirmons la répartition du montant prévisionnel de 5 milliards (recette des ventes des dons 1982/83), soit :

  . 1 milliard destiné à l'achat de 6.000 tonnes de sorgho blanc;
  . 1 milliard environ comme subvention d'équilibre à l'OPAM, au titre de la campagne 82/83. Nous prenons bon acte du versement prochain par l'ORSP de sa subvention totale, au titre de l'exercice 82/83 de 1,5 milliard;
  . 1 milliard en vue de faire face aux aléas des campagnes céréalières financières suffisantes sur le fonds;
  . 2 milliards au titre de la participation du fonds dans la restructuration des O.D.R.

Tout le reliquat du fonds de contrepartie serait affecté à la reconstitution du stock national de sécurité qui a prouvé son utilité et sa raison d'être ces dernière années.

.../...

Monsieur le Ministre d'Etat Chargé
de l'Economie et du Plan
Bamako

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Il va sans dire que les Donateurs attendent, de la part de l'OPAM, le reversement régulier des produits nets de la vente des dons et la soumission trimestrielle des états financiers.

Conscients des efforts faits par le Gouvernement dans le cadre du plan de redressement économique et financier et au vu des résultats de restructuration obtenus au niveau de l'OPAM. Les Donateurs proposent une extension du Projet de Restructuration du Marché Céréalier aux activités en amont de l'OPAM : aux O.D.R. et ce de façon à rendre aussi efficienteque possible la filière céréalière en vue d'atteindre l'autosuffisance alimentaire. Dans cet état d'esprit, les donateurs sont prêts à participer, sur une base contractuelle, à un projet de restructuration des O.D.R. qui se traduirait par un programme de réduction progresive des différents coûts d'intervention des O.D.R. Cette participation serait dégressive et définie annuellement d'un commun accord en fonction des excédents du fonds de contrepartie (une fois les obligations du Projet de Restructuration du Marché Céréalier remplies) et au vu des résultats obtenus par les O.D.R.

Les O.D.R. susceptibles de bénéficier de ce projet seraient celles qui fourniraient un plan de restructuration accepté par toutes les parties concernées

Si le Gouvernement partage cette approche, les Donateurs sont prêts à lui soumettre, dans les meilleurs délais, un dossier technique.

Nous vous prions d'agréer, Monsieur le Ministre, les assurances de notre haute considération.

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ETATS-UNIS

S.E. Mr. P. BORG
Ambassadeur

REPUBLIQUE FEDERALE D'ALLEMAGNE

S.E. Mr. H. SEEMANN
Ambassadeur

CANADA

Mr. A. POTVIN
Chargé d'Affaires

C.E.E.

Mr. J.C. COLLET
Délégué

FRANCE

Mr. J. BOULOGNE
Chef de Mission du FAC

BELGIQUE

S.E. Mr. J. SOUCCAR
Consul Honoraire

BANQUE MONDIALE

Madame J. De MERODE
Représentante

F.A.O.

Mr. M.T. MUKENDI
Représentant

PROGRAMME ALIMENTAIRE MONDIAL

Mr. J.P. PEETERS
Administrateur

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Le 22 février 198[illegible]

Monsieur le Ministre,

Le groupe des pays et organismes donateurs participant au projet de Restructuration du Marché Céréalier a l'honneur et l'avantage de vous envoyer ci-joint une proposition d'extension du champ d'application du projet, qui consiste en la libéralisation de la commercialisation du paddy.

Cette proposition découle du projet de restructuration des Opérationsde Développement Rural que nous vous avions présenté à notre réunion commune du 10 janvier dernier, et en est la suite logique et opérationnelle. En effet, la préoccupation principale de cette proposition est l'allégement des coûts de commercialisation supportés par le consommateur et le budget de l'Etat. La libéralisation nous parait être le moyen adéquat d'y contribuer et cette proposition s'insère dans le processus de restructuration proposé dans notre lettre du 18 janvier. De plus, elle reprend certains éléments de réflexion du rapport d'évaluation de la campagne 1982/83 que nous vous avions envoyé le 25 janvier.

D'autre part, cette proposition nous parait correspondre aux objectifs de la Stratégie Alimentaire.

Le groupe des donateurs a prévu des mesures d'accompagnement pour aider le gouvernement à maitriser la mise en place de la libéralisation proposée, mesures qui feront l'objet d'un engagement ferme et solidaire de la part de notre groupe.

Nous nous tenons à votre disposition pour toute suite que vous souhaiterez donner à cette proposition.

S.E. Mr. O. Coulibaly
Ministre d'Etat Chargé de l'Economie
et du Plan

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KOULOUBA

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Nous vous prions de croire, Monsieur le Ministre, en l'expression de notre très haute considération.

ETATS-UNIS

S.E. Mr. P. BORG
Ambassadeur

FRANCE

Mr. J. BOULOGNE
Chef de Mission du FAC

BELGIQUE

Mr. J. SOUCCAR
Consul Honoraire

C.E.E.

Mr. J.G. COLLET
Délégué

PRORAMME ALIMENTAIRE MONDIAL

Mr. J.P. PEETERS
Administrateur

REPUBLIQUE FEDERALE D'ALLEMAGNE

S.E. Dr. H. SEEMANN
Ambassadeur

CANADA

Mr. A. POTVIN
Premier Secrétaire et Consul

BANQUE MONDIALE

Mme J. De MERODE
Représentante

F.A.O.

Mr. M.T. MUKENDI
Représentant

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## LA LIBERALISATION DE LA COMMERCIALISATION DU PADDY

### I OBJECTIF

La libéralisation de la commercialisation du paddy était l'un des objectifs principaux du PRMC dès sa conception. Les structures de commercialisation publiques comportent des surcoûts intermédiaires importants entre la production et la consommation. L'Etat est contraint à des arbitrages constants entre les intérêts des producteurs et ceux des consommateurs, qui ne peuvent être réconciliés qu'au prix de subventions d'un poids intolérable pour l'Etat.

Les donateurs sont convaincus qu'à condition d'être progressive et d'être assortie de mesures d'accompagnement appropriées, la libéralisation de la commercialisation du paddy permettra, sans préjudice pour le consommateur et à un coût supportable par l'Etat, une meilleure valorisation de la production des riziculteurs. A son tour, cette meilleure valorisation constitue un élément essentiel de tout programme visant à lever les contraintes à l'intensification de la production, ainsi qu'à améliorer le revenu des producteurs.

### II MODALITES

#### 2.1. Mesures de libéralisation proposées

a) les commerçants reçoivent libre accès aux zones rizicoles encadrées et sont autorisés à y exercer leurs activités.

b) le prix officiel d'achat du paddy au producteur devient un prix plancher; ce prix fait l'objet d'une augmentation significative pour la campagne 84/85.

c) les ODR limitent graduellement leur collecte de paddy à la perception de la redevance et au recouvrement du crédit. Dans un deuxième temps cette perception s'effectue progressivement en espèces et non plus en nature. Les producteurs disposent librement du reste de leur production. Les rizeries assument graduellement la responsabilité de la commercialisation et sont dotées de l'autonomie nécessaire. Les rizeries achètent au prix du barème rendu rizerie le paddy remis par les ODR ainsi que le paddy offert à la vente par commerçants et producteurs; le riz est vendu à l'OPAM au prix fixé par le barème, jusqu'à concurrence d'un quota représentant une moyenne des livraisons avant libéralisation. Toute vente en sus du quota est effectuée sur le marché libre.

. Mesures d'accompagnement

a) Compte tenu des ressources importantes que procure la commercialisation aux ODR à l'heure actuelle, les donateurs, par l'intermédiaire du fonds de contrepartie, apportent un soutien financier à celles-ci jusqu'à ce que soit mis en place un nouveau mécanisme de financement dans le cadre de la restructuration. Ce soutien est dégressif et est versé directement aux ODR sur une base contractuelle. Les contrats avec les ODR s'insèrent dans leur processus de restructuration et comportent un programme annuel de compression des coûts de fonctionnement, tout en prévoyant les interventions nécessaires à la sauvegarde de l'outil de production.

b) Avant que le système n'ait trouvé son équilibre, il est possible que l'OPAM constate une baisse de ses achats locaux de riz. Les donateurs calculent que, compte tenu des redevances, cette baisse ne devrait pas dépasser 15.000 tonnes. Les donateurs s'engagent à fournir cette quantité en riz ou son équivalent en espèces sur la quantité totale d'aide alimentaire en céréales sur laquelle ils s'étaient déjà engagés.

c) Par l'intermédiaire du fonds de contrepartie, les donateurs subventionnent les rizeries à deux niveaux. Ils versent aux rizeries une bonification par tonne de paddy usiné à façon afin de permettre aux rizeries d'usiner le paddy produit dans leur zone d'influence à un prix compétitif par rapport à celui des décortiqueuses privées. En outre, les donateurs versent aux rizeries une subvention d'équilibre pour couvrir la part du déficit d'exploitation éventuel causé par une sous-utilisation de capacité par rapport à une moyenne avant libéralisation. Compte tenu de la bonification des frais d'usinage, les rizeries devraient cependant fonctionner à un niveau plus élevé d'utilisation de capacité que par le passé.

d) Les engagements des donateurs reprix en a) , b) et c) portent sur une période minimum de trois ans.

e) Les mesures de libéralisation proposées ci-dessus dégageraient les ODR d'une responsabilité génératrice de tensions avec les producteurs et qui s'exerce au détriment de leur responsabilité intrinsèque d'appui et de conseil au paysan. La libéralisation leur permettrait de s'y vouer entièrement. Parmi les tâches dont la libéralisation accroîtrait l'importance, il y a l'organisation des producteurs. Outre l'intérêt d'une participation accrue des producteurs aux tâches assumées jusqu'ici par les ODR, il y a la nécessité d'une maîtrise accrue des producteurs sur la commercialisation de leur production et sur les conditions de cette commercialisation, ainsi que d'autres dispositions collectives permettant de soustraire les producteurs aux aspects les

plus contraignants de leurs rapports avec les commerçants.

## 2.3. Modalités d'application et dispositions transitoires

Bien que la libéralisation puisse être décrétée dans un délai rapproché dans les faits la libéralisation devra s'effectuer de façon progressive, ne fût-ce que parce qu'à l'heure actuelle le secteur privé n'est pas en mesure d'assumer immédiatement la logistique de la commercialisation. Il faut donc éviter deux extrêmes, l'une où les ODR continuent d'utiliser la contrainte pour assurer la commercialisation, l'autre où le paysan se trouve dénué d'alternative devant le commerçant qui lui-même est appelé à fournir des prestations pour lesquelles il n'est pas encore préparé.

Les modalités d'application de la libéralisation et de ses mesures d'accompagnement ainsi que les dispositions transitoires feront l'objet d'une fiche technique réalisée dans un délai rapproché, selon des termes de référence à convenir avec les autorités maliennes et à l'aide d'une assistance technique financée par le PRMC.

# PROPOSAL FOR AN EXTENSION OF THE SCOPE OF THE CEREALS MARKET RESTRUCTURING PROJECT TO PADDY MARKETING LIBERALIZATION

## 1. GOAL:

From its inception, paddy marketing liberalization was one of the primary objectives of the Cereals Market Restructuring Project (CMRP). State marketing systems involve considerable costs between production and consumption stages. Constant arbitration is required of the Government between consumers and producers, the interests of which can only be reconciled at the cost of intolerably burdensome subsidies.

The donors are convinced that paddy marketing liberalization, if carried out progressively along with appropriate supporting measures, would provide higher production incentives without adversely affecting consumers, at an affordable cost to the State. In turn, higher production incentives are a necessary part of any policy package aimed at increasing agricultural productivity as well as farmer incomes.

## 2. MODALITIES

### 2.1 Proposed Liberalization Measures

a) Traders receive free access to rice growing areas and are authorized to operate unhindered.

b) The official paddy producer price becomes a floor price; it is significantly increased in 84/85.

c) The Rural Development Organizations (RDO's) gradually restrict paddy collection to credit recovery and levies in kind. In a second stage levies and credit are collected in cash and no longer in kind. Producers market the remainder of their production freely. The rice mills progressively assume marketing functions and are granted the necessary autonomy. The rice mills purchase paddy from ODR's at a fixed price, as well as paddy offered for sale by producers and traders; the rice is sold to OPAM, up to a quota corresponding to average deliveries to OPAM prior to liberalization. Rice in excess of this quota is sold on the free market.

### 2.2. Supporting Measures

a) Taking into account the substantial financial resources ODR's currently derive from marketing operations, the donors provide them with financial support through the Counterpart Fund until new ODR financial mechanisms are established in the framework of restructuration. This support is provided directly to the ODR's on an annually declining basis in the framework of individual contracts. The contracts with ODR's are consistent with their restructuration and provide for an annual cost reduction program, while specifically providing for the maintenance of productive assets.

b) Until the marketing system has struck a new equilibrium, OPAM might experience a decline in its domestic rice purchases. Taking into account levies in kind, the donors calculate that such a reduction should not exceed 15,000 metric tons (MT) per year. The donors undertake to make

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this quantity available in the framework of their commitments under the CMRP, in kind or in an equivalent amount of cash.

c) The donors subsidize rice mills through the Counterpart Fund at two levels. First, they provide the mills with a subsidy per ton of paddy milled on account of traders and producers, so as to allow the rice mills to charge a competitive milling price compared with that charged by private small mill operators. In addition, the donors cover the losses incurred by rice mills because of capacity underutilization relative to levels prevailing prior to liberalization. Thanks to the milling subsidy, rice mills should however operate at higher levels of capacity utilization than in the past.

d) The donor commitments outlined in a), b), and c) extend over a minimum period of three years.

e) The liberalization measures outlined above would help release the ODR's from activities contributing to poor relations with producers and therefore detrimental to their primary responsibility to support and advise producers. In contrast, helping producers set up cooperative associations is likely to be one of the most useful adjuncts to liberalization. Producers need to assume responsibilities currently carried out by ODR's, and to exercise greater control over marketing of their production, so as to be able to strengthen their hand in their relations with traders.

## 2.3 Implementation Modalities and Transitional Measures

Although liberalization can be decreed at short notice, its effect will only be felt gradually. The private sector does not currently have the means to fully take over marketing activities at a stroke. Two opposite extremes must therefore be avoided, one in which ODR's continue to use coercion in their transactions with farmers, and the other in which farmers have no other option but to deal with traders unable as yet to satisfactorily carry out their function.

Liberalization implementation modalities as well as supporting and transitional measures are to be covered in a technical brief to be issued as soon as possible.

PROGRAMME ALIMENTAIRE MONDIAL

WORLD FOOD PROGRAMME

Bureau du Représentant Résident
B.P. 120 Bamako (Rep. du Mali)

Telex: 552
Tel: 22-36-94
22-43-80
22-20-45
22-37-23

Le 16 novembre 1981

# MEMORANDUM

A: L.E. M. Les Ambassadeurs et chefs de mission dont les pays et organismes participent à l'entente sur la Restructuration du Marché Céréalier au Mali.

De: J.P. PEETERS P.A.M. - BAMAKO

OBJET: Transmission du texte remanié sur les modalités pratiques de fonctionnement du fonds de contrepartie du projet Restructuration du Marché Céréalier.

Veuillez trouver ci-joint la version remaniée concernant les modalités pratiques de fonctionnement du fonds de contrepartie du projet Restructuration du Marché Céréalier. Ce document est le résultat des discussions tenues en comité technique restreint le 11 novembre dernier, sur la base du texte présenté lors de la réunion des donateurs du 20 octobre.

Je vous saurai gré de bien vouloir nous faire parvenir vos observations et commentaires au sujet de ce document, afin d'y apporter les amendements nécessaires pour préparer le texte final et le soumettre au gouvernement dans les plus brefs délais.

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| JAMBHIL | | |
| JACOB | | |
| JACHE | | |

AMBASSADE:

BELGIQUE
CANADA
FRANCE
RFA
U.K (consulat)
USA

ORGANISME:

C.C.E
FAC
FAO
IBRD
P.A.M.
R.M.C.
RFA/OPAM
USAID

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# P R O C E D U R E S

## MODALITES DE FONCTIONNEMENT DU FONDS DE CONTREPARTIE
## RESTRUCTURATION DU MARCHE CEREALIER
## PROJET DES DONATEURS

(document faisant suite à la convention-type d'aide alimentaire. Annexe II de l'avant-projet des donateurs).

**Préambule:**

Dans l'avant-projet, les donateurs avaient convenu que le fonds de contrepartie devait contribuer à couvrir les pertes d'exploitation résultant, pendant la durée du projet, de la commercialisation des céréales. D'où la nécessité pour l'OPAM de préparer un Compte d'Exploitation Prévisionnel[1] (C.E.P.) en début d'exercice.

Ce compte d'exploitation prévisionnel ne peut être élaboré que sur la base d'un plan de ravitaillement prévisionnel qui permette de déterminer les quantités de céréales qui seront commercialisées par l'OPAM pendant l'exercice à venir. En outre, ce plan de ravitaillement permettra de déterminer les dons nécessaires à la couverture des besoins en céréales du Mali et au financement du projet de Restructuration du Marché Céréalier (R.M.C.)[2]. Ce plan de ravitaillement sera établi par l'OPAM en septembre; une fois ratifié par le Conseil d'Administration de l'OPAM, il sera soumis au Comité de Gestion des donateurs pour appréciation, et des propositions d'aides seront formulées par ceux-ci[3]. Les requêtes du gouvernement malien qui suivront, harmonisées avec les propositions d'aides formulées par le Comité de gestion, déclencheront les procédures d'obtention de dons en céréales de chaque donateur. Par la suite, les conventions bilatérales seront proposées, contenant un plan de répartition géographique des dons respectifs annoncés, sur proposition du gouvernement malien.

Si les prévisions ne s'avèrent pas exactes, les chiffres du plan de ravitaillement pourront être révisés en cours d'exercice. Dans ce cas ou si les donateurs l'estiment utile pour des raisons de désaccord sur les chiffres présentés, la constitution d'une mission multi-donateurs sera proposée par le Comité de gestion des donateurs, pour analyser la situation alimentaire du pays.

1) Ce C.E.P. ne peut être préparé qu'une fois connus les prix officiels aux producteurs et aux consommateurs. Il est donc souhaitables que ceux-ci soient annoncés le plus tôt possible, soit courant mai pour les prix aux producteurs et courant septembre pour les prix aux consommateurs.

2) cf annexe 1. Calendrier des procédures relatives aux dons.

3) Des amendements au plan de ravitaillement seront au besoin présentés par les donateurs.

Compte d'Exploitation Prévisionnel

Le C.E.P. global de l'OPAM sera établi pour la période 1er septembre - 31 août. Y seront indiquées les charges variables par opérations (transport, manutention, divers) et les charges fixes (ou frais généraux) de l'OPAM. Connaissant le tonnage total prévu commercialisé, il sera possible de calculer les charges fixes moyennes prévisionnelles par tonne commercialisée par l'OPAM pour l'ensemble de son activité sur un exercice. Ces charges fixes moyennes seront ensuite ventilables par types d'opérations, au prorata des quantités commercialisées correspondant à chaque opération, ce qui permettra d'affecter à chaque opération des charges variables prévisionnelles et des charges fixes prévisionnelles.

Les opérations faisant partie du projet R.M.C., c'est-à-dire dont les pertes d'exploitation de l'exercice en cours seront couvertes par le fonds de contrepartie du projet pendant sa durée, sont: les opérations régulières d'approvisionnement, de stockage et de vente de céréales servant à des fins de régulation et de stabilisation de prix sur le marché intérieur ainsi que de sécurité alimentaire, et provenant aussi bien du marché local que des importations commerciales ou des ventes de dons d'aide alimentaire de type normal.

Son exclus du financement par le projet R.M.C. les déficits d'exploitation sur les opérations suivantes:

- distribution d'aides d'urgence ou à titre gratuit
- ventes à un prix préférentiel à certains services d'utilité publique ou à certaines catégories de population choisies par le gouvernement
- remboursemment de crédits sur exercices antérieurs ainsi que les frais financiers annuels portant sur ces dettes.

Ces pertes d'exploitation seront sorties du déficit global de l'OPAM et couvertes soit par le gouvernement soit au besoin par d'autres sources de financement que le projet.

Des comptes d'exploitation prévisionnels avec décomposition - charges variables et charges fixes au prorata des quantités commercialisées correspondantes à chaque opération - seront préparés pour chaque tranche de don sur la même base comptable que le C.E.P. global.

Présentation des modalités de fonctionnement par ordre chronologique

L'Office réceptionne les céréales au(x) lieu(x) de livraison prévu(s) dans les conventions et arrangements signés entre le gouvernement et chaque donateur (spécificité de chaque convention et arrangement).

L'Office constitue et ceci pour chaque tranche d'aide et pour chaque lieu de destination[1], un rapport au(x) donateurs(s) sous forme d'un compte d'exploitation prévisionnel, comprenant:

A) le montant brut[2] correspondant à la vente des céréales des différents arrivages sur la base du plan de répartition indiqué dans le cadre de chaque convention.

B) les charges prévisionnelles de l'Office relatives à la distribution de chaque don (charges variables et charges fixes).

Ce rapport sera préparé chaque mois à partir du premier jour de réception de l'aide et ceci jusqu'à épuisement des quantités de céréales correspondantes et sera transmis au(x) donateur(s) par le co-signataire du compte pour le gouvernement, appartenant à l'administration de tutelle de l'Office.

Le calcul du montant net des ventes de dons à verser sur le fonds de contrepartie du projet R.M.C. ou compte spécial sera uniforme pour tous les donateurs[3], et sera donc la différence entre le montant brut A) et les charges prévisionnelles B).

Le montant net des ventes de dons sera versé sur le fonds de contrepartie mensuellement sur la base de chaque rapport mensuel et sous réserve d'objections du donateur. Le coordinateur aura connaissance de chaque rapport aux donateurs et vérifiera le bon versement des montants nets sur le compte, dont il tiendra la comptabilité.

Une fois les montants nets versés, une demande d'affectation de ceux-ci pourra être faite par l'Office au(x) donateur(s) pour leur(s) don(s) respectif(s); le dégagement de ces fonds servira à éviter à l'Office des crises de liquidité dans le courant de l'exercice (campagnes d'achat ...) et lui permettra de remplir sa mission de Restructuration du Marché Céréalier.

1) Les mouvements de stocks correspondant aux dons seront désormais connus par l'Office et permettront de suivre les mouvements physiques de céréales.

2) Ce montant brut sera le même par tonne tout au long de l'année en cas de prix de vente officiel unique pour l'Office, ce qui est le plus probable. En cas de non-vente, le rapport mentionnera les modalités de constitution de stocks.

3) C'est l'affectation des montants nets qui sera laissée à la discrétion de chaque donateur dans l'esprit du projet.

Cette demande sera appuyée par un plan de trésorerie et d'utilisation des fonds, vérifié par le coordinateur. Cette demande d'affectation sera toujours transmise à celui-ci par le co-signataire du compte spécial du projet pour le gouvernement.

Chaque donateur restera maître de l'utilisation des montants nets correspondant à la vente des aides respectives, dans l'esprit du projet.

Ces demandes d'affectation des montants nets seront des demandes d'accompte de subventions pour l'exercice en cours dans l'attente des comptes définitifs et ne devront pas dépasser les besoins de financement indiqués dans le compte d'exploitation prévisionnel de l'OPAM.

En fin d'exercice, et sur la base des pièces comptables justificatives contrôlées par le coordinateur, un compte d'exploitation définitif rendant compte des charges effectives de l'Office pour l'exercice sera établi. Ceci permettra de dégager le besoin de financement réel de l'Office pour l'exercice passé, d'établir les affectations définitives des montants nets et de dresser un bilan exact pour l'Office et le fonds de contrepartie[1]. Ce compte d'exploitation définitif sera, une fois agréé par le gouvernement malien, transmis au comité de gestion des donateurs qui prendra connaissance de l'état des comptes et prendra les décisions d'orientation pour l'exercice à venir.

Le comité de gestion se réunira en session extraordinaire en cas de problème particulier dans la marche du projet ou sur demande de trois des donateurs, ou sur demande du gouvernement malien, particulièrement en cas de révision nécessaire du C.E.P. en cours d'exercice, pièces justificatives à l'appui.

X. ROUILLARD

) Le reliquat des montants nets sera reporté à un exercie ultérieur ou servira à financer d'autres projets.

Annexe 1

# CALENDRIER DES PROCEDURES RELATIVES AUX DONS

| Mesures et Modalités | Agence Responsable | A ratifier par | Finalité |
|---|---|---|---|
| Fixation des prix officiels | Commission | Comité Donateurs | Politique des prix, établissement du compte d'exploitation prévisionnel (C.E.P.) |
| Plan de ravitaillement | OPAM | Conseil d'Administration OPAM | Planification des ressources et du projet, commandes à temps des importations/dons, établissement du C.E.P. |
| C.E.P. global OPAM | OPAM | Ministère Finances et commerce; Comité donateurs | Connaissance des prix de revient, besoins financement |
| Requêtes du gouvernement | Ministère Affaires étrangères et Coopération Internationale | Donateurs | |
| Conventions/plans de répartition | Donateurs | M.A.E.C.I. | Procédures bilatérales entre donateurs et gouvernement |
| C.E.P. par dons | OPAM | Donateurs | Fixation montants nets à verser |
| Distribution des dons | OPAM | Gouvernement | Exécution des conventions et du plan de ravitaillement |
| Rapports mensuels/virements au fonds de contrepartie | OPAM | Donateurs | Fonctionnement du projet R.M.C. |
| Demande d'affectation des montants nets (accomptes) | OPAM | Donateurs | Liquidités pour l'OPAM en cours d'exercice |
| Bilan et C.E.P. définitifs | OPAM | Conseil d'Administration OPAM; Comité Donateurs | Vérification des comptes et affectations définitives . Orientations du projet |

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Prog — 1) USAID
cy for Ministry

PROGRAMME ALIMENTAIRE MONDIAL

PROGRAMA MUNDIAL DE ALIMENTOS

JUL 0 8 1981

WORLD FOOD PROGRAMME

Bureau du Représentant Résident
B.P. 120 Bamako (Rep. du Mali)

Télex: 552
Tél: 22.20.45

Le 7 juillet 1981

# MEMORANDUM

AUX : Ambassadeurs et Chefs de Mission en République du Mali dont les pays ou organismes ont signé l'avant Projet de Restructuration du Marché Céréalier (décembre 1980).

DE : J.P. Peeters, P.A.M. - BAMAKO

OBJET : Description des tâches de Monsieur X. Rouillard et modalités de fonctionnement du Comité de gestion.

Je vous prie de trouver ci-joint une proposition des termes de référence des tâches de Monsieur X. Rouillard dans le cadre du projet de Restructuration du Marché Céréalier ainsi que des modalités de fonction du Comité de gestion.

Je vous saurai gré de bien vouloir me communiquer les remarques ou commentaires éventuels que vous auriez à formuler quant à cette description.

Pays: Canada
France (F.A.C)
RFA
√ USA (USAID)

Organisme: C.C.E
FAO
IBRD
PAM

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COMITE GESTION DU PROJET DE RESTRUCTURATION
DU MARCHE CEREALIER

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**Membre de droit:** a) le Gouvernement malien

b) les donateurs dont la liste était jointe à la lettre de transmission de l'utilisation du fonds de contrepartie de l'aide alimentaire envoyée par la Représentation de la C.C.E. à Bamako à Monsieur le Ministre des Finances et du Commerce (décembre 1980): soit le Représentant de l'USAID, de l'Ambassade du Canada et de la RFA, du FAC, de la C.C.E., de la FAO, du PAM, et de la BIRD.

c) Peut se faire membre de ce comité tout donateur qui livre de l'aide alimentaire conforme aux modalités du projet.

**Rôle du Comité:** a) Veiller au respect par toutes les parties concernées des objectifs fixés dans le projet et décrits dans le document "Restructuration du Marché Céréalier".

b) Fixer les modalités d'intervention du fonds de contrepartie et de l'action de Monsieur Rouillard.

**Prise de décision:** A l'unanimité

**Périodicité des réunions:**

a) de droit: une fois l'an en vue de commenter, analyser et fixer le plan d'utilisation du fonds de contrepartie dans le cadre du Projet de Restructuration du Marché Céréalier.

b) sur demande de trois de ces membres.

**Secrétariat, organisation, liaison:** le P.A.M. fournira le secrétariat et s'occupera des convocations, distribution de documents etc...

**Présidence des débats:** Gouvernement du Mali.

## - TERMES DE REFERENCE -

### DES TACHES DE MONSIEUR ROUILLARD DANS LE CADRE DE LA RESTRUCTURATION DU MARCHE CEREALIER.

1. Participer pour le compte du comité[1] de gestion du Projet de Restructuration du Marché Céréalier:

   - à l'analyse du Marché Céréalier;
   - à l'étude de l'impact des prix officiels à la production et à la consommation;
   - à l'examen des moyens logistiques mis en oeuvre;
   - à la préparation de recommandations, notamment sur la programmation du ravitaillement céréalier ou la formulation d'orientations nouvelles;
   - à la mise en oeuvre de la politique malienne de Restructuration du Marché Céréalier.

2. Assurer le suivi pour pouvoir en informer régulièrement les donateurs de la mise en oeuvre du projet de Restructuration, notamment en ce qui concerne:

   - des arrivages d'aide alimentaire (éxécution des conventions bilatérales);
   - des distributions;
   - de l'état des stocks;
   - de l'état financier du fonds de contrepartie pour la Restructuration;
   - du calcul des frais d'intervention, de distribution et de fonctionnement.

3. Co-signer les dépenses supportées par le compte spécial "Projet de Restructuration du Marché Céréalier".

4. Préparer les documents d'information pour le compte du Comité de gestion, notamment le rapport annuel sur le fonds de contrepartie.

5. Exécuter toutes missions que demanderait le Comité de gestion dans le cadre du Projet et ayant reçu l'aval du P.A.M.

1) Comité formé du Gouvernement malien et des donateurs d'aide alimentaire.

ADC

MINISTERE DES AFFAIRES ETRANGERES
ET DE LA COOPERATION INTERNATIONALE

REPUBLIQUE DU MALI
Un Peuple - Un But - Une Foi

Action

Koulouba le 21 AVR 1981

Le Ministre des Affaires Etrangères
et de la Coopération Internationale

à Monsieur l'Administrateur du Programme
Alimentaire Mondial, Coordonnateur des
Pays donateurs de céréales

- BM ONC -

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1568

Monsieur l'Administrateur,

J'ai l'honneur de vous faire parvenir [illegible]
[illegible] en date du [illegible]
[illegible] Fonds [illegible]
de [illegible]
[illegible] du Mali [illegible]
[illegible] des [illegible] céréales [illegible]
[illegible] donateurs.

En vous en souhaitant bonne réception, je vous
prie d'agréer, Monsieur l'Administrateur, l'assurance de
ma haute considération.

APR 28 1981

| TO | ACT | INFO |
|---|---|---|
| DIR | | ✓ |
| D/DIR | | ✓ |
| PROG | | ✓ |
| DEO | | |
| | | |
| CONT | ✓ | ✓ |
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| CROES | | |
| EVST | | |
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MINISTÈRE
DES FINANCES
ET DU COMMERCE

CABINET

REPUBLIQUE DU MALI
Un Peuple - Un But - Une Foi

Bamako, le 31 MARS 1981

N° [illegible] / MFC / CAB/SP

Le Ministre des Finances et du Commerce du Mali

REPUBLIQUE DU MALI
UN PEUPLE, UN BUT, UNE FOI
MINISTERE DES FINANCES ET DU COMMERCE

Dossier :

Action : à . Monsieur l'Administrateur du Programme Alimentaire Mondial PAM, Coordonnateur des Pays donateurs de céréales au Mali

- BAMAKO -

S/C de Monsieur le Ministre des Affaires Etrangères et de la Coopération internationale

. KOULOUBA

Monsieur L'Administrateur,

Conformément à notre entretien du Mercredi [illegible] 1981, j'ai l'honneur de vous confirmer que le Gouvernement [illegible] lors du Conseil des Ministres du 18 Février 198[illegible] a donné son accord de principe aux propositions d'avant-projet Restructuration du Marché Céréalier que le Délégué de la Commission des Communautés Européennes a bien voulu me transmettre au nom des donateurs par lettre n°2430/ECO/SI du 9 Décembre 1980. Il m'a chargé de vous le notifier en vous priant de bien vouloir transmettre aux donateurs ses remerciements sincères et l'expression de sa profonde gratitude pour leur heureuse initiative.

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Le Gouvernement m'a également demandé de rentrer en négociation avec vous pour la mise en oeuvre des mesures pratiques nécessaires au succès de la libéralisation du Marché Céréalier et de le tenir régulièrement informé de nos conclusions. Pour nous permettre de bien accomplir cette mission, je vous saurais gré de bien vouloir hâter la désignation du Coordonnateur du projet pour que de concert avec l'assistance technique que la Banque Mondiale a bien voulu nous fournir, nous puissions nous atteler au plus tôt à la tâche.

Par ailleurs, je suis persuadé que vous serez notre interprète auprès des donateurs pour que le calendrier des arrivages des dons prévus dans le cadre du projet soit connu dans les meilleurs délais pour nous permettre d'envisager avec sérénité tout le ravitaillement régulier de nos populations pour la prochaine période de soudure que la subvention prévue au titre du soutien à la consommation des fonctionnaires.

Restant à votre entière disposition pour toutes informations complémentaires, je vous prie de croire, Monsieur l'Administrateur, à l'assurance de ma haute considération.

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Drissa KEITA

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DELEGATION DE LA COMMISSION
DES COMMUNAUTES EUROPEENNES
EN REPUBLIQUE DU MALI

LE DELEGUE

11/28/80

BAMAKO, LE
B.P. 115
TELEPH. 22-20-68 - 22-23-86
TELEGR. DELEGFED — TELEX 526

N° /ECO/si

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S/C

Monsieur le Ministre
des Affaires Etrangères et de
la Coopération Internationale
BAMAKO

Objet : Utilisation des fonds de contrepartie
de l'aide alimentaire normale à partir de 1981.

Monsieur le Ministre,

A la suite des diverses réunions communes qui ont eu lieu depuis janvier 1980 nous avons l'honneur de vous transmettre, au nom des Bonateurs dont la liste est jointe en annexe, des propositions relatives à la restructuration du marché céréalier.

Comme nous vous l'avions indiqué au cours de nos derniers entretiens, ces propositions visent le triple objectif d'une contribution à la relance de l'économie malienne par l'augmentation du pouvoir d'achat rural, d'une libéralisation du marché céréalier et d'une tentative pour éviter une augmentation trop rapide des prix de vente à la consommation telle qu'elle résulterait d'une opération "vérité des prix". L'instrument privilégié permettant d'atteindre ces objectifs serait le fonds de contrepartie de l'aide alimentaire normale fournie par les six aides extérieures précitées.

Nous avons l'honneur de vous demander, Monsieur le Ministre, de bien vouloir nous faire connaître votre appréciation et vos suggestions sur ces propositions. Nous restons à votre entière disposition pour tout éclaircissement et, dans la mesure où le jugeriez utile, pour une concertation conjointe entre vos Services et les promoteurs de ladite proposition.

Nous vous prions de bien vouloir agréer, Monsieur le Ministre, les assurances de notre haute considération.

Pour le Délégué de la Commission
le Conseiller à la Délégation

R. WENK

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Réunion du 28 novembre 1980

des donateurs de céréales dans le cadre du projet :

Restructuration du Marché Céréalier au Mali

**PARTICIPANTS**

| Ambassade/Organisation Internationale/Projet | Représenté par : |
|---|---|
| USAID | [illegible] |
| USAID | [illegible] Hall |
| FAC | ZOEGER |
| Ambassade Canada André POTVIN | LATREMOILLE |
| Ambassade RFA | Fischer |
| FAO | MUKENDI |
| PAM | PEETERS |
| B.I.R.D. (observateur) | FURST |
| PROJET STOCK DE SECURITE, RFA | VON BIELER |
| Delegué de la C.C.E | Piazzio-Biroli |
| Conseiller C.C.E. | NOEL / Gambini |

Propositions d'avant-projet

" RESTRUCTURATION DU MARCHE CEREALIER "

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## I. OBJECTIFS DU PROJET

Ce projet a pour but, en une période de cinq ans :

- de relancer l'économie nationale en augmentant le pouvoir d'achat du milieu rural,
- de libéraliser le marché céréalier,
- d'éviter une augmentation brutale des prix de vente à la consommation qui résulterait d'une "opération vérité des prix".

### I.1. Relance de l'économie nationale

L'accroissement du pouvoir d'achat des masses paysannes qui représentent 85 % de la population totale résultera de l'augmentation du prix aux producteurs au niveau de celui des pays voisins tout en tenant compte du coût de production du paysan.

Cette augmentation :

- en premier lieu aura des effets sur l'économie rurale par la modernisation de l'agriculture grâce à des investissements supplémentaires des paysans et l'utilisation accrue des ressources agricoles visant l'auto-suffisance, l'exportation et l'agro-industrie ;
- en deuxième lieu, ces effets se diffuseront dans toute l'économie nationale par l'augmentation des recettes fiscales ce qui permettra à l'Etat d'augmenter les salaires du secteur public d'où, en définitive, des effets d'entraînement sur l'économie nationale par accroissement de la consommation, de l'épargne et de l'investissement.

### I.2. Libéralisation du marché céréalier

Elle résultera :

- de l'abolition du monopole d'Etat,
- de la transformation de l'Office des Produits Agricoles du Mali (OPAM) en un office de régulation et de stabilisation disposant en plus d'un stock de sécurité,
- de l'introduction d'un marché concurrentiel par l'autorisation de la commercialisation privée des céréales.

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I.3. Alignement progressif des prix de vente au niveau des prix de revient

Le financement dégressif par les fonds de contrepartie de l'augmentation des prix aux producteurs et d'une contribution aux pertes d'exploitation de l'office de régulation permet un alignement progressif des prix de vente au niveau des prix de revient ce qui, à terme, rend la possibilité à l'office de régulation de se passer des subventions de l'aide alimentaire.

## II. MOYENS MIS EN OEUVRE

### II.1. Utilisation des fonds de contrepartie

- L'instrument principal du projet est constitué par les fonds de contrepartie résultant de la vente des céréales fournies par les Aides extérieures dans le cadre de l'aide alimentaire "normale". Toute aide "exceptionnelle" d'urgence ne fait pas partie du présent projet.

- Le mécanisme consiste :
  - à augmenter les prix aux producteurs au niveau de leurs prix de revient en tenant compte des prix aux producteurs des pays voisins,
  - à couvrir les frais de distribution des tonnages livrés par l'aide alimentaire à l'intérieur du pays,
  - à couvrir les pertes d'exploitation de la commercialisation des céréales (autres que celles mentionnées ci-dessus) vendues sur le marché national par l'office de régulation.

### II.2. Réorganisation des structures de commercialisation

Le monopole d'Etat est abandonné en faveur d'une régularisation du marché libre :

- par la création d'un office de régulation et de stabilisation qui a pour but de maintenir l'équilibre relatif du marché céréalier et de limiter les fluctuations locales et conjoncturelles des prix aux producteurs et aux consommateurs ;
- par l'autorisation de la commercialisation privée des céréales. L'accès au marché céréalier est libre à tout agent respectant la réglementation de la profession et à tout moment de l'année.

### II.3. Représentant des donateurs

Un Représentant des donateurs disposant d'un soutien logistique sera chargé durant toute la durée du projet de représenter les donateurs au sein de la structure mise en place par le projet et de suivre l'exécution et la coordination des conventions bilatérales signées entre les différents donateurs et le Gouvernement malien.

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## III. COUT ET PLAN DE FINANCEMENT

### III.1. Financement de l'augmentation des prix aux producteurs et des pertes d'exploitation de l'office

- Le besoin de financement pour les campagnes 80/81 à 84/85 résulte de la différence entre le prix de vente officiel et le prix de revient global de l'office incluant le prix que l'office paye aux producteurs et ses frais de commercialisation (transport, frais financiers, marges).

- L'objectif pour le prix aux producteurs est, dans un premier temps, de l'élever au niveau de celui des pays voisins en tenant compte du coût de revient du producteur puis, dans un second temps, de l'augmenter pour tenir compte à la fois de l'inflation et d'un certain équipement progressif des paysans.

- L'objectif pour le prix de vente à la consommation est de couvrir le prix de revient global de l'office au terme du projet.

- Les frais de commercialisation sont stabilisés dès la campagne 81/82 pour tenir compte de la rationalisation de l'office, d'où le tableau (1) suivant permettant le calcul du besoin de financement par campagne et par catégorie de céréales :

Mils/maïs/sorgho — en FM/kg

| | Prix producteur | Frais de Commercial. | Prix de revient | Prix de vente | Besoin de financement |
|---|---|---|---|---|---|
| Camp. 80/81 | 70 | 60 | 130 | 85 * | 45 |
| Camp. 81/82 | 80 | 80 | 160 | 105 | 55 |
| Camp. 82/83 | 92 | 80 | 172 | 135 | 37 |
| Camp. 83/84 | 105 | 80 | 185 | 162 | 23 |
| Camp. 84/85 | 120 | 80 | 200 | 190 | 10 |
| Camp. 85/86 | 140 | 80 | 220 | 220 | 0 |

Riz (RM 40) — en FM/kg

| | Prix producteur (paddy) | Frais de commer. incluant usinage | Prix de revient | Prix de vente | Besoin de financement |
|---|---|---|---|---|---|
| Camp. 80/81 | 75 | 125 | 200 | 200 * | 0 |
| Camp. 81/82 | 110 | 130 | 240 | 220 | 20 |
| Camp. 82/83 | 130 | 130 | 260 | 240 | 20 |
| Camp. 83/84 | 160 | 130 | 290 | 270 | 20 |
| Camp. 84/85 | 180 | 130 | 310 | 300 | 10 |
| Camp. 84/86 | 200 | 130 | 330 | 330 | 0 |

(1) Les chiffres n'ont qu'une valeur indicative
* Relevés dans l'Essor du 25 novembre 1980

L'office commercialisant 40.000 tonnes de mils/maïs/sorgho et 55.000 T. de riz :

le besoin de financement par campagne est : en milliards F

| | | | | | | |
|---|---|---|---|---|---|---|
| Campagne 80/81 | 45.000 x 40.000 | + | 0 x 55.000 | = | 1,80 |
| Campagne 81/82 | 55.000 x 40.000 | + | 20 x 55.000 | = | 2,30 |
| Campagne 82/83 | 37.000 x 40.000 | + | 20 x 55.000 | = | 2,58 |
| Campagne 83/84 | 23.000 x 40.000 | + | 20 x 55.000 | = | 2,02 |
| Campagne 84/85 | 10.000 x 40.000 | + | 10 x 55.000 | = | 0,95 |
| | 170. | | TOTAL ..... | | 10,65 milliards FM |

A ce coût doivent s'ajouter les frais de distribution des céréalies par les aides extérieures connus pour la campagne 80/81 - 50.000 tonnes à fournir (30.000 T. de mils/maïs/sorgho, 10.000 T. de riz, 10.000 T. distribuées gratuitement) - à 30.000 FM/T. soit : 1,5 milliard FM

Pour les autres campagnes un forfait de 25 % des besoins de financement a été retenu.

D'où le coût global de l'opération "financement de l'augmentation des prix aux producteurs et des pertes d'exploitation de l'office" :

| | | | | | |
|---|---|---|---|---|---|
| Campagne 80/81 | 1,80 | + | 1,50 | = | 3,30 |
| Campagne 81/82 | 3,30 | + | 0,83 | = | 4,13 |
| Campagne 82/83 | 2,58 | + | 0,65 | = | 3,23 |
| Campagne 83/84 | 2,02 | + | 0,51 | = | 2,53 |
| Camapgne 84/85 | 0,95 | + | 0,24 | = | 1,19 |
| | | | | | 14,38 Milliards FM |

Pour la campagne 80/81, les fonds de contrepartie aux prix de vente fixés le 25 novembre 1980 par le Gouvernement : 85 FM/kg le mils/maïs/sorgho et 200 FM/kg pour le riz (RM 40) rapporteront :

85.000 x 30.000 + 200.000 x 10.000 = 4,55 milliards FM

pour couvrir un besoin de financement de 3,30 milliards FM.
Le reliquat de 1,25 milliard FM devrait financer un fonds de roulement permettant au projet de se poursuivre même si l'aide alimentaire devait se révéler déficiente par la suite.

## III.2. Représentant des donateurs

Un Représentant des donateurs sera fourni pour la durée du projet. Avec son soutien logistique son coût est estimé à 150 millions FM. Ce financement sera assuré par l'aide internationale.

Q = Thousand Tn
P = Fm/kg.
R = Billion Fm

SCHEME FOR FINANCING

| Years | Millet Q | Millet P | Millet R | Rice Q | Rice P | Rice R | Total |
|---|---|---|---|---|---|---|---|
| 80/81 | 30 | 85 | 2,55 | 10 | 200 | 2,00 | 4,55 |
| 81/82 | 30 | 105 | 3,15 | 10 | 220 | 2,20 | 5,35 |
| 82/83 | 30 | 135 | 4,05 | 10 | 240 | 2,40 | 6,45 |
| | 90 | + | | 30 | → | 120 Tn | 16,35 Billion Fm |

%

## IV. MODALITES D'EXECUTION

IV.1. Le Gouvernement de la République du Mali crée, avec la collaboration des donateurs d'aide alimentaire, un projet "Opération de restructuration du marché céréalier" (appelé par la suite "Le Projet") dont le maître d'oeuvre sera désigné d'un commun accord entre le Gouvernement et les donateurs.

La description du Projet s'appuie sur le présent texte.

La durée prévue de ce Projet serait de cinq ans.

### IV.2. Contributions des donateurs

Les contributions se feront de façon délibérée par conventions bilatérales dont le bénéficiaire sera le présent Projet.

Les conventions bilatérales se référeront au Projet et retiendront l'essentiel des clauses figurant dans la convention type citée en annexe II.

Les contributions prendront la forme : :

- de livraisons spécifiques d'aide alimentaire,
- d'un Représentant des donateurs auprès du Projet avec soutien logistique en cas de besoin,
- d'études de factibilité en vue de préciser et d'adapter certains éléments du Projet.

### IV.3. Contributions du Gouvernement de la République du Mali (G.R.M.)

Le G.R.M. s'engage à faire évoluer sa politique des prix céréaliers en s'orientant sur le plan de financement proposé par le présent texte.

Le G.R.M. s'engage à permettre successivement la libre commercialisation des céréales sur la base de la concurrence des agents publics et privés.

Certaines facilités peuvent être attribuées à l'organisme public céréalier en vue d'aider son auto-approvisionnement en céréales pour assurer la régulation du marché et la sécurité alimentaire, notamment pendant la phase de démarrage du Projet.

Le G.R.M. habilite l'office céréalier à la programmation du ravitaillement national.

Cependant, dans ce cadre, l'aide alimentaire peut partiellement transiter par des organismes coopératifs ou humanitaires, si un donateur le souhaite.

L'aide alimentaire se référant à ce Projet sera intégralement vendue ou mise à la disposition du stock de sécurité national.

Les recettes nettes des opérations de vente seront versées sur un compte spécial géré d'un commun accord entre l'Autorité malienne régissant le Projet et le Représentant des donateurs auprès du Projet selon l'article 6 de la convention type (voir annexe II).

Les fonds reçus sur le compte spécial seront utilisés pour :

- la prise en charge de l'augmentation des prix aux producteurs résultant de l'application du Projet,
- le remboursement des frais effectifs de l'organisme céréalier causés par la commercialisation des dons,
- la couverture des pertes d'exploitation des céréales commercialisées sur le marché national par l'office céréalier dans le cadre de la régulation et de la stabilisation des marchés, ce qui permettra d'échelonner l'augmentation à l'occurence des prix de vente.

En principe, ce soutien sera dégressif pendant une période d'environ cinq ans grâce à une augmentation successive des prix à la consommation et applicable jusqu'au moment où l'équilibre du compte d'exploitation de l'office permettra de se passer de l'aide alimentaire.

## V. PRINCIPAUX RESULTATS

- Au niveau des producteurs

  - L'augmentation des prix aux producteurs va se traduire par une augmentation de la production des céréales résultant à la fois de l'arrêt des exportations frauduleuses, de l'augmentation des rendements du fait de la modernisation que leur pouvoir d'achat accru permettra aux producteurs, de l'accroissement des surfaces cultivées.

    Cette production devrait, dans un premier temps, rendre le Mali auto-suffisant et, à terme, exportateur net.

  - Les opérations riz seraient rentabilisées et les financements des aides extérieures et de l'Etat pourraient se diriger vers d'autres secteurs de développement.

  - L'accroissement du pouvoir d'achat des producteurs leur permettra de développer leur bien être, de monétariser des régions qui ne le sont pas et de favoriser les échanges entre ces régions.

- Au niveau des consommateurs

  Les consommateurs, sur tout le territoire national, vont se voir garantir un ravitaillement régulier et à des prix stables.

- Au niveau de l'Etat et de l'Economie Nationale

  L'accroissement des recettes fiscales de l'Etat et la diminution de son soutien aux opérations de production agricole permettront à l'Etat d'augmenter les salaires du secteur public ce qui, outre la réduction des tensions sociales, aura tout un ensemble d'effets d'entraînement qui se répercuteront sur l'économie nationale par l'accroissement de la consommation, de l'épargne et de l'investissement ainsi que par le retour des capitaux maliens placés à l'extérieur et la réanimation du secteur tertiaire et notamment commercial qui, avec l'agriculture, sont les deux "forces vives" du Mali.

## ANNEXE I

### Pourcentage (%) d'augmentation des prix du modèle

**Mils/maïs/sorgho :**

| | Prix aux producteurs | % | Prix de vente | % |
|---|---|---|---|---|
| Camp. 80/81 | 70 | | 85 | |
| Camp. 81/82 | 80 | + 14 | 105 | + 24 |
| Camp. 82/83 | 92 | + 15 | 135 | + 29 |
| Camp. 83/84 | 105 | + 14 | 162 | + 20 |
| Camp. 84/85 | 120 | + 14 | 190 | + 17 |
| Camp. 85/86 | 140 | + 17 | 220 | + 16 |

**Riz**

| | | | | |
|---|---|---|---|---|
| Camp. 80/81 | 75 | | 200 | |
| Camp. 81/82 | 110 | + 47 | 220 | + 10 |
| Camp. 82/83 | 130 | + 18 | 240 | + 9 |
| Camp. 83/84 | 160 | + 23 | 270 | + 13 |
| Camp. 84/85 | 180 | + 19 | 300 | + 11 |
| Camp. 85/86 | 200 | + 11 | 330 | + 10 |

ANNEXE II

CONVENTION TYPE D'AIDE ALIMENTAIRE

**Article 1.: INTRODUCTION**

Dans cet article il sera fait référence aux conventions cadres et antérieures régissant l'aide alimentaire des donateurs au Gouvernement de la République du Mali (G.R.M.) ainsi qu'à toutes informations relatives à la classification du Programme concrétisé par un Projet de restructuration du marché céréalier.

**Article 2 : OBJECTIFS DU PROGRAMME**

2.1 Le pays donateur appuiera les efforts déployés par le G.R.M. pour améliorer la situation alimentaire des populations maliennes marquée par la sous-production locale des denrées alimentaires.

2.2 L'aide alimentaire du pays donateur aura comme finalité d'aider le G.R.M. à mettre en oeuvre une politique céréalière dans le domaine des structures de prix et de commercialisation afin d'encourager la production, de stabiliser les marchés et d'assurer le ravitaillement national.

**Article 3 : MODALITES DE LIVRAISON**

3.1 Le pays donateur s'engage à fournir gratuitement au G.R.M. ..... tonnes de .....(nature des denrées alimentaires) en ..... tranches, livrées au plus tard le ....., dans le cadre du projet malien de redressement du marché céréalier.

3.2 Le pays donateur fournira via ..... ces céréales franco lieu de réception par .....

3.3 L'exécution de la livraison dans le cadre du Projet sera suivie par le Représentant des donateurs auprès du Projet pour le compte du donateur.

**Article 4 : MODALITES DE RECEPTION**

4.1 Le G.R.M. s'engage à réceptionner les denrées alimentaires immédiatement après l'arrivée aux lieux de réception mentionnés dans l'article 3.2.

4.2 Le G.R.M. exemptera le donateur des taxes à l'importation et de toutes autres taxes publiques relatives à la présente livraison.

4.3 Le donateur désignera comme mandataire ..... pour l'exécution de la livraison.

Le G.R.M. mandatera l'office régulateur pour la réception des livraisons (ou tout autre organisme tels que coopératives, ONG, Opérations, etc... après information de l'office régulateur.

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**Article 5 : MODALITES DE REPARTITION**

5.1 Les parties contractantes :

a) éviteront que l'exécution du présent arrangement ne perturbe les structures normales de la production nationale et du commerce international ;

b) veilleront notamment à ce que les livraisons effectuées dans le cadre de l'aide alimentaire ne prennent pas la place des échanges commerciaux normalement prévus, mais viennent s'ajouter à ceux-ci.

5.2 Le G.R.M. veillera à :

a) ce que les marchandises fournies sur la base de la présente convention ne fassent pas l'objet d'une réexportation ;

b) ce que les marchandises soient utilisées pour la consommation humaine.

5.3 Les bénéficiaires de la présente livraison seront : ..... (à mentionner : lieu, population-cible, quantité par bénéficiaire).

5.4 Les denrées alimentaires de cette livraison seront vendues dans leur totalité à un prix plancher de .....

5.5 Le G.R.M. s'engage à soumettre au donateur un plan de répartition selon un schéma type avant de décréter la distribution.

**Article 6 : MODALITES DE GESTION DES FONDS DE CONTREPARTIE**

6.1 Les recettes nettes de vente seront exclusivement réservées au soutien des prix céréaliers par augmentation des prix à la production et subvention dégressive des prix à la consommation.

6.2 a) Le produit brut de la vente sera versé mensuellement sur un compte bancaire spécial pour ce don, déduction faite des charges forfaitaires par tonne vendue estimées à l'avance par le moyen d'un compte d'exploitation prévisionnel qui sera élaboré par le mandataire du G.R.M. sur la base du plan de répartition afin d'estimer les charges occasionnées à l'organisme chargé de la commercialisation du don ;

b) en fin d'opération, un compte d'exploitation définitif, s'appuyant sur les pièces justificatives, sera établi comme base d'un réglement complet des charges effectives de l'organisme de commercialisation du don.

6.3 Le compte sera géré conjointement par le donateur (le Représentant des donateurs) et le mandataire du G.R.M.

6.4 Le mandataire du G.R.M. établira une comptabilité séparée pour ce don.

ANNEX F

Notes on Self-Help Monitoring Indicators (Ref Table 12 in main text, pp. 47-49)

Note No.1

Water and other levies are set in terms of kilos of paddy. Introducing optional cash payments valuing paddy at official prices offers several benefits:

- farmers can take advantage of higher paddy market prices;
- less paddy passes through the official marketing system, reducing the system's subsidy requirements;
- a pretext is removed for ODR's to exercise control over farmer marketing activities.

However, ODRs' must then institute a system of cash levy collection and recovery, failing which they would fall short of resources needed for operation and maintenance. No such system operates in Mali and the changeover must be carefully phased in. ORM has carried out a pilot experiment in 83/84 and results have been encouraging, despite near total crop failure because of the drought.

Note No.2

As can be seen in Table 1.3 in Annex H, paddy marketed officially as a proportion of production varies widely from year to year and depends very much on production levels. Curiously the larger the crop the smaller the proportion marketed (there are exceptions) although one would expect the opposite assuming that on-farm consumption and seed requirements are roughly stable. This is perhaps due to the financial peculiarities of the official marketing system and its chronic shortage of funds. In order to interpret the results in 1984/85, the Mission will have to establish a comparison with a year in which conditions were more or less similar regarding production and availability of funds.

Note No.3

IER establishes production cost estimates in different areas using different production systems (see Table 2.5 in Annex H). For purposes of monitoring the self-help measure, the Mission will construct a composite production cost index for each commodity.

Note No.4

It is expected that in the framework of Mali's entry into the West African Monetary Union, OPAM's long-term debt outstanding with BDM will be converted into equity, resulting in



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a reduction of MF 782 million of debt service payments in 84/85 compared with 83/84. OPAM's deficit is projected at MF2.25 billion in 83/84. Taking into account the MF 782 million saving, a reduction of OPAM's deficit to MF1.2 billion in 84/85 will require additional savings of MF268 million. OPAM's budgeted deficit will be used as indicator as actual deficits will not be know in time for the evaluations.

Note No.5

This indicator would monitor price support payments provided by the official price schedules but excluding payments made to OPAM so as to avoid counting part of OPAM's deficit twice. These payments amount to:

- in 1981/82, MF 323 million to ON.
- in 1982/83, MF 1,038 million to ON and
  MF 66 million to ORS
- in 1983/84, MF 1,644 (budg.) to ON

Budgeted price schedule support payments will be used as the indicator.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project
From FY 84 to FY 86
Total U.S. Funding $15.3 million
Date Prepared 06/08/84

Project Title & Number: CEREALS MARKET RESTRUCTURING PROJECT (688-0230)

PAGE 1

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|---|---|
| Program or Sector Goal: The broader objective to which this project contributes | Measures of Goal Achievement | | Assumptions for achieving goal targets |
| To assist Mali to achieve food security on a self-sustaining basis | - Increases in cereals production<br>- Reduction in public subsidies to the official marketing system | - Cereal production statistics<br>- OPAM, PRMC and OSRP financial records | - That policy reform will result in higher farmgate prices and terms of trade<br>- That price elasticity of cereals production is positive |

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 84 to FY 86
Total U.S. Funding: $15.3 million
Date Prepared: 06/08/84

Project Title & Number: CEREALS MARKET RESTRUCTURING PROJECT (688-0230)



| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|---|---|
| Project Purpose | Conditions that will indicate purpose has been achieved: End-of-Project status. | | Assumptions for achieving purpose |
| To achieve cereals marketing policy reform, with the coordinated support of Mali's largest food donors. | - cereals marketing to be liberalized for all cereals, including paddy, by 86/87 season<br>- reduction in OPAM's deficit to less than MF1.0 billion in 85/86<br>- reduction in subsidies to official marketing system (excluding OPAM) to less than MF 1.2 billion in 85/86 | - PRMC evaluations<br>- USAID evaluations | - that donors remain united in in their commitment to policy reform and their support to GRM<br>- that GRM political will to implement reform does not abate, which implies:<br>. no supply or price crisis in urban cereal market leading to civil unrest<br>. softening impact of reform on groups benefitting from current policies |

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 84 to FY 86
Total U.S. Funding: $15.3 million
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| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|---|---|
| Project Outputs | Magnitude of Outputs | | Assumptions for achieving outputs |
| - Improved GRM policymaking capacity | - GRM legislation, regulations | - PRMC evaluations | - Project underway for two years and all outputs already apparent. |
| - Better OPAM management | - rice-producing ODR's marketing statistics | - USAID evaluations | |
| - paddy marketing liberalization | - OSRP, CNAVS, PRMC payments to marketing system | | |
| - reduction in subsidies to official marketing system | - cereals price statistics | | |
| | - BNDA credit activity | | |
| - better cereal production incentives | - Year-end security stock levels | | |
| - increased security stocks | | | |

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 84 to FY 86
Total U.S. Funding: $15.3 million
Date Prepared: 06/08/84

Project Title & Number: CEREALS MARKET RESTRUCTURING PROJECT (688-0230)

PAGE 4

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|---|---|
| Project Inputs | Implementation Target (Type and Quantity | | Assumptions for providing inputs |
| - Food aid cereals shipped to Malian point of entry | - 30 to 60 thousand tons of cereals/ year, including 15,000 MT of rice | - PRMC evaluations | - Donors able to make available appropriate cereal commodities in required quantities at agreed point of delivery in satisfactory condition. |
| - Technical assistance | - 11 person-years/year of technical assistance | - USAID evaluations | |

## Annex H: Statistical Appendix

1. Cereals Production, Marketing and Trade


Table 1.1: Mali-Crop Areas, Yields and Production
Table 1.2: Mali-Cereals Production and Official Marketing
Table 1.3: ODR Paddy Production and Official Marketing
Table 1.4: Mali Trade in Cereals and Cereal Products
Table 1.5: Food aid by Product
Table 1.6: PRMC Contributions by Source
Table 1.7: Food aid by Source


2. Prices


Table 2.1: Mali-Official Producer Prices
Table 2.2: Cereal Consumer Prices
Table 2.3: Official Cereal Producer and Consumer Prices in Mali and other WAMU Countries
Table 2.4: Cereal Retail Market Prices in Bamako
Table 2.5: IER Cereal Production Cost Estimates
Table 2.6: Official Price Schedule, Office du Niger
Table 2.7: Official Price Schedule, Opération Riz Mopti
Table 2.8: Official Price Schedule, Opération Riz Ségou
Table 2.9: Mali-OSRP Operations


3. OPAM


Table 3.1: OPAM Activities
Table 3.2: OPAM Storage Facilities
Table 3.3: OPAM Local Cereal Purchases by Source and OSRP Support paid to OPAM
Table 3.4: OPAM Direct Purchases
Table 3.5: OPAM Sales/Distribution by Region
Table 3.6: OPAM Sales/Distributions by Product
Table 3.7: OPAM Finances
Table 3.8: OPAM Staff Distribution

Table 1.1 : Mali - Crop areas , yields and production

| | 1971-72 | 1972-73 | 1973-74 | 1974-75 | 1975-76 | 1976-77 | 1977-78 | 1978-79 | 1979-80 | 1980-81 | 1981-82 | 1982-83 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **millet-sorghum** | | | | | | | | | | | | |
| area(000ha) | 1433 | 1135 | 1378 | 1330 | 1300 | 1384 | 1318 | 1372 | 1431 | 1403 | 1420 | 1393 |
| yield(MT/ha) | .48 | .55 | .48 | .60 | .62 | .65 | .61 | .73 | .66 | .47 | .61 | .57 |
| production(000ha) | 691 | 624 | 660 | 800 | 800 | 900 | 800 | 1000 | 943 | 654 | 871 | 793 |
| **maize** | | | | | | | | | | | | |
| area | 112 | 80 | 71 | 90 | 89 | 102 | 100 | 105 | 112 | 47 | 60 | 74 |
| yield | .78 | .55 | .89 | 1.11 | .79 | .78 | .50 | .52 | .57 | 1.55 | 1.17 | 1.28 |
| production | 87 | 44 | 63 | 100 | 70 | 80 | 50 | 55 | 64 | 73 | 70 | 95 |
| **paddy** | | | | | | | | | | | | |
| area | 181 | 127 | 142 | 190 | 188 | 170 | 128 | 197 | 170 | 175 | 165 | 105 |
| yield | .94 | .91 | .92 | 1.32 | 1.16 | 1.39 | 1.55 | 1.27 | .97 | .94 | 1.06 | 1.23 |
| production | 171 | 116 | 130 | 250 | 218 | 237 | 199 | 251 | 165 | 165 | 175 | 129 |
| **cotton** | | | | | | | | | | | | |
| area | 82 | 88 | 73 | 80 | 91 | 122 | 103 | 119 | 123 | 111 | 85 | 105 |
| yield | .85 | .82 | .75 | .89 | 1.15 | 1.09 | 1.11 | 1.12 | 1.23 | .99 | 1.15 | 1.23 |
| production | 70 | 72 | 55 | 71 | 105 | 133 | 114 | 133 | 151 | 110 | 98 | 129 |
| **groundnuts** | | | | | | | | | | | | |
| area | 215 | 158 | 153 | 232 | 207 | 185 | 195 | 155 | 172 | 128 | 117 | 91 |
| yield | .61 | .69 | .65 | .65 | .70 | .86 | .66 | .81 | .67 | .72 | .79 | .53 |
| production | 131 | 109 | 100 | 151 | 145 | 160 | 128 | 126 | 116 | 92 | 92 | 48 |

SOURCE ; Ministry of Agriculture , 1982-83 Annual Report

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Table 1.2 : Mali - Cereals Production and Official Marketing

| | 1971/72 | 1972/73 | 1973/74 | 1974/75 | 1975/76 | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/ |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **millet-sorghum** | | | | | | | | | | | | |
| production(000MT) | 691 | 624 | 660 | 800 | 800 | 900 | 800 | 1000 | 943 | 654 | 871 | 7 |
| marketing(000MT) | 30 | 9 | 10 | 48 | 48 | 70 | 27 | 46 | 26 | 13 | 13 | |
| mark/prod | .0 | .01 | .02 | .06 | .06 | .08 | .03 | .05 | .03 | .02 | .01 | .0 |
| **maize** | | | | | | | | | | | | |
| production | 87 | 44 | 63 | 100 | 70 | 80 | 50 | 55 | 64 | 73 | 70 | 9 |
| marketing | 2 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 3 | 1 |
| mark/prod | .02 | .02 | .00 | .01 | .00 | .00 | .00 | .00 | .00 | .01 | .04 | .1 |
| **paddy** | | | | | | | | | | | | |
| production | 171 | 116 | 130 | 250 | 218 | 237 | 199 | 251 | 165 | 165 | 175 | 129 |
| marketing | 52 | 47 | 59 | 84 | 100 | 107 | 66 | 63 | 60 | 58 | 59 | 53 |
| mark/prod | .30 | .41 | .45 | .34 | .46 | .45 | .33 | .25 | .36 | .35 | .34 | .41 |

SOURCE : Ministry of Agriculture , 1982/83 Annual Report

Table 1.3 : ODR Paddy Production and Official Marketing

| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
|---|---|---|---|---|---|
| **Office du Niger (ON)** | | | | | |
| area(000ha) | 36500 | 36484 | 34298 | 38394 | 39384 |
| production(MT) | 95500 | 65105 | 69172 | 65991 | 57171 |
| marketed(MT) | 51855 | 50755 | 50216 | 48345 | 43796 |
| mark/prod | .54 | .78 | .73 | .73 | .77 |
| **Operation Riz Mopti (ORM)** | | | | | |
| planted area | 17800 | 16200 | 15210 | 23953 | 24437 |
| harvested area | 14300 | 12600 | 12341 | 17008 | 2522 |
| production | 22900 | 13000 | 13445 | 17819 | 1838 |
| marketed | 2900 | 2115 | 2961 | 3448 | 0 |
| mark/prod | .13 | .16 | .22 | .19 | .00 |
| **Operation Riz Segou (ORS)** | | | | | |
| planted area | 29800 | 26600 | 29921 | 27351 | 25927 |
| harvested area | 24200 | 16800 | 10628 | 19386 | 16877 |
| production | 39200 | 22100 | 11793 | 20666 | 18880 |
| marketed | 8251 | 6029 | 4265 | 7237 | 8200 |
| mark/prod | .21 | .27 | .36 | .35 | .43 |
| **Compagnie Malienne pour le Developpement des Textiles (CMDT)** | | | | | |
| area | 17000 | 13500 | 14000 | 6803 | 8501 |
| production | 11000 | 12800 | 11600 | 10204 | 12863 |
| marketed | 150 | 150 | 402 | 610 | 1193 |
| mark/prod | .01 | .01 | .03 | .06 | .09 |

SOURCE : Ministry of Agriculture , 1982/83 Annual Report

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Table 1.4 : Mali - Trade in Cereals and Cereals Products (000MT)

| | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 |
|---|---|---|---|---|---|---|---|---|---|---|
| **IMPORTS(including food aid)** | | | | | | | | | | |
| rice | 81 | 20 | 0 | 0 | 21 | 45 | 47 | 51 | 68 | |
| maize | 68 | 28 | 0 | 0 | 17 | 34 | 10 | 23 | 32 | |
| wheat | 5 | 0 | 0 | 0 | 2 | 4 | 6 | 9 | 3 | |
| wheat flour | 27 | 30 | 30 | 35 | 35 | 35 | 40 | 40 | 40 | |
| millet/sorghum | 91 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 2 | |
| of which : | | | | | | | | | | |
| commercial imports - rice - OPAM | 81 | 15 | 0 | 0 | 10 | 15 | 20 | 12 | 11 | 0 |
| - priv | 0 | 5 | 0 | 0 | 0 | 25 | 20 | 40 | 40 | 70 |
| - wheat | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20 |
| **EXPORTS** | | | | | | | | | | |
| paddy | 0 | 0 | 0 | 29 | 0 | 0 | 0 | 0 | 0 | 0 |
| rice | 0 | 0 | 3 | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| maize | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| millet/sorghum | 0 | 0 | 31 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |

SOURCE : USAID estimates

Table 1.5 : Mali - Food Aid by Product (MT)

| | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
|---|---|---|---|---|---|
| sorghum | 1700 | 0 | 0 | 0 | 15940 |
| maize | 37550 | 6000 | 22880 | 33720 | 19150 |
| rice | 5300 | 3000 | 960 | 16970 | 26410 |
| wheat | 2700 | 6000 | 8680 | 2770 | 18130 |
| TOTAL | 47250 | 15000 | 32520 | 53460 | 79630 |

SOURCE : OPAM

Table 1.6 : PRMC Food Aid Contributions by Source (000MT)

| | 1981/82 | 1982/83 |
|---|---|---|
| WFP | 5710 | 16170 |
| EEC | 9640 | 5070 |
| France | 4940 | 4940 |
| Canada | 5000 | 7000 |
| FRG | 5960 | 8000 |
| Holland | 0 | 1680 |
| U.K. | 810 | 0 |
| PRMC SUBTOTAL | 32060 | 42860 |
| Non-PRMC Aid | 21400 | 36770 |
| TOTAL | 53460 | 79630 |
| PRMC/TOTAL | .60 | .54 |

SOURCE : PRMC

Table 1.7 : Mali - Food Aid by Source

| | 1980/81 | | 1981/82 | | 1982/83 | |
|---|---|---|---|---|---|---|
| | coarse grains | rice | coarse grains | rice | coarse grains | rice |
| Saudi Arabia | 0 | 0 | 3310 | 0 | 730 | 0 |
| Canada | 0 | 0 | 5000 | 0 | 7000 | 0 |
| EEC | 7890 | 0 | 6960 | 2680 | 0 | 5070 |
| USA | 0 | 0 | 0 | 0 | 4990 | 4980 |
| Euro-action Accord | 800 | 0 | 0 | 0 | 0 | 0 |
| France | 4630 | 0 | 4940 | 0 | 4940 | 0 |
| U.K. | 0 | 0 | 0 | 810 | 0 | 0 |
| Japan | 0 | 0 | 0 | 1790 | 0 | 0 |
| Koweit | 0 | 0 | 0 | 0 | 3050 | 2680 |
| Malaysia | 0 | 0 | 0 | 9780 | 0 | 0 |
| WFP | 18240 | 0 | 5710 | 0 | 8680 | 10000 |
| Holland | 0 | 0 | 0 | 0 | 0 | 1680 |
| FRG | 0 | 960 | 9830 | 0 | 23830 | 0 |
| USSR | 0 | 0 | 0 | 1910 | 0 | 2000 |
| yugoslavia | 0 | 0 | 740 | 0 | 0 | 0 |
| TOTAL | 31560 | 960 | 36490 | 16970 | 53220 | 26410 |
| COMBINED TOTAL | 32520 | | 53460 | | 79630 | |

SOURCE : PRMC

Table 2.1 : Mali - Official Producer Prices (FM/kg)

| | 1971/72 | 1972/73 | 1973/74 | 1974/75 | 1975/76 | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| millet-sorghum | 18 | 20 | 32 | 32 | 32 | 32 | 36 | 40 | 50 | 70 | 85 | 90 | 100 |
| maize | 20 | 20 | 20 | 32 | 32 | 36 | 36 | 50 | 50 | 70 | 90 | 95 | 100 |
| paddy | 25 | 25 | 25 | 40 | 40 | 45 | 45 | 50 | 60 | 75 | 100 | 110 | 120 |
| groundnuts(unshelled) | 30 | 30 | 30 | 40 | 40 | 50 | 50 | 60 | 80 | 80 | 90 | 90 | - |
| cotton(1st choice) | 50 | 50 | 50 | 75 | 75 | 90 | 90 | 95 | 110 | 110 | 130 | 130 | 150 |

SOURCE : Ministry of Agriculture , 1982/83 Annual Report

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Table 2.2 : Mali - Cereal Consumer Prices (FM/kg)

| | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|---|---|---|---|
| millet/sorghum - official | 52 | 52 | 52 | 57 | 65 | 77 | 85 | 116 | 125 | 125 |
| millet - market | 73 | 68 | 122 | 164 | 108 | 187 | 206 | 191 | 196 | |
| sorghum - market | 66 | 73 | 110 | 165 | 107 | 194 | 208 | 181 | 178 | |
| rice(RM40) - official | 112 | 112 | 112 | 137 | 150 | 180 | 200 | 230 | 250 | 250 |
| rice(RM40) - market | 149 | 146 | 193 | 290 | 261 | 306 | 329 | 337 | 319 | |

SOURCE : OPAM (official prices) , Ministry of Plan (market prices)

Table 2.3 : Official Cereal Producer and Consumer Prices in Mali and other WAMU Countries (FCFA/kg)

| | Producer Prices | | | | Consumer Prices | | | |
|---|---|---|---|---|---|---|---|---|
| | 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1980/81 | 1981/82 | 1982/83 | 1983/84 |
| **millet/sorghum** | | | | | | | | |
| Mali | 35 | 42.5 | 45 | 50 | 42.5 | 58 | 62.5 | 62.5 |
| Senegal | 40 | 50 | 50 | 50 | 68 | 64 | 64 | 64 |
| Upper Volta | 45 | 50 | 58 | 64 | 68.5 | 80 | 80 | 80 |
| Niger | 40 | 60 | 75 | 75 | 60 | 75 | 120 | 120 |
| **maize** | | | | | | | | |
| Mali | 35 | 42.5 | 47.5 | 50 | 42.5 | 58 | 62.5 | 62.5 |
| Senegal | 37 | 47 | 47 | 47 | 68 | 60 | 60 | 60 |
| Upper Volta | 45 | 50 | 55 | 60 | 68.5 | 80 | 80 | 80 |
| Niger | 40 | 60 | 75 | 75 | - | - | - | 100 |
| **paddy-rice(100%brokens)** | | | | | | | | |
| Mali | 37.5 | 50 | 55 | 60 | 90 | 105 | 115 | 115 |
| Senegal | 41.5 | 51.5 | 51.5 | 51.5 | 92 | 92 | 105 | 130 |
| Niger | - | - | 85 | 85 | - | - | 160 | 160 |

Table 2.4 : Cereal Retail Market Prices in Bamako (FM/kg)

| | millet | | | sorghum | | | rice(RM40) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1982 | 1983 | 1984 | 1982 | 1983 | 1984 | 1982 | 1983 | 1984 |
| january | 162 | 169 | 240 | 143 | 150 | 250 | 363 | 325 | 325 |
| february | 154 | 157 | 235 | 141 | 144 | 251 | 362 | 325 | 325 |
| march | 155 | 166 | 251 | 142 | 147 | 263 | 352 | 325 | 325 |
| april | 163 | 172 | 279 | 144 | 155 | 292 | 361 | 325 | 355 |
| may | 169 | 191 | | 147 | 179 | | 347 | 325 | |
| june | 180 | 214 | | 168 | 191 | | 343 | 325 | |
| july | 181 | 215 | | 177 | 191 | | 333 | 330 | |
| august | 187 | 265 | | 172 | 249 | | 331 | 334 | |
| september | 187 | 271 | | 166 | 257 | | 324 | 325 | |
| october | 190 | 272 | | 160 | 267 | | 331 | 325 | |
| november | 174 | 254 | | 161 | 252 | | 320 | 325 | |
| december | 173 | 225 | | 153 | 246 | | 325 | 325 | |

SOURCE : PRMC

Table 2.5 : I.E.R Cereal Production Cost Estimates (MF/kg)

| | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 |
|---|---|---|---|---|---|---|
| millet/sorghum(cotton rotation) | 55 | 63 | 85 | 92 | 92 | 93 |
| millet/sorghum(groundnut rotation) | 68 | 76 | 100 | 108 | 110 | 110 |
| millet/sorghum(traditional) | 74 | 84 | 115 | 125 | 125 | 125 |
| maize(cotton rotation) | - | 71 | | | 103 | 104 |
| paddy(ON) | | 79 | | | 124 | 126 |
| paddy(ORM) | 60 | 81 | | | 129 | 133 |
| paddy(ORS) | 60 | 81 | | | 127 | 131 |
| paddy(natural flooding) | 72 | 82 | | | 124 | 126 |

SOURCE : I.E.R.

Table 2.6 : Official Price Schedule , Office du Niger (MF/MT)

| | | 1981/82 | 1982/83 | 1983/84 |
|---|---|---|---|---|
| 1. | paddy producer price | 100000 | 110000 | 120000 |
| 2. | moisture loss , 7% | 7000 | 7700 | 8400 |
| 3. | market and collection costs | 5325 | 5325 | 3370 |
| 4. | financial costs | 1350 | 1350 | 2961 |
| 5. | bags and strings | 5129 | 4850 | 4835 |
| 6. | transport to factory gate | 3424 | 3044 | 3272 |
| 7. | extension costs | 5573 | 6130 | 11655 |
| 8. | contribution to ON overhead | 8912 | 9803 | 9803 |
| 9. | crop protection | 500 | 500 | 500 |
| 10. | cost at factory gate | 137213 | 148702 | 164796 |
| 11. | rice equivalent (62%) | 221311 | 239841 | 265800 |
| 12. | milling costs | 13145 | 13145 | 14460 |
| 13. | rice cost at factory gate | 234456 | 252986 | 280260 |
| 14. | by-products sale | -2700 | -2700 | -2991 |
| 15. | net cost at factory gate | 231756 | 250286 | 277269 |
| 16. | transport&handling Segou warehouse | 9227 | 10106 | 9674 |
| 17. | transport losses | - | - | - |
| 18. | cost ex-Segou warehouse | 240983 | 260392 | 286943 |
| 19. | OSRP subsidy | -20000 | -30000 | -82225 |
| 20. | sale price to OPAM | 220983 | 230392 | 204718 |

SOURCE : Marketing Decrees , 1981-83

Table 2.7 : Official Price Schedule , Operation Riz Mopti (FM/MT)

| | | 1981/82 | 1982/83 | 1983/84 |
|---|---|---|---|---|
| 1. | paddy producer price | 100000 | - | - |
| 2. | moisture loss , 7% | 7000 | - | - |
| 3. | market and collection costs | 7324 | - | - |
| 4. | pick-up costs | 9935 | - | - |
| 5. | extension sosts | 28248 | - | - |
| 6. | contribution to overhead | - | - | - |
| 7. | crop protection | 500 | - | - |
| 8. | paddy cost millgate | 153007 | - | - |
| 9. | rice equivalent (62%) | 246785 | - | - |
| 10. | milling costs | 18982 | - | - |
| 11. | by-products sale | -2700 | - | - |
| 12. | rice millgate cost | 263067 | - | - |
| 13. | paddy bag wear | 7483 | - | - |
| 14. | B'TWILL bags | - | - | - |
| 15. | bagged rice cost | 270550 | - | - |

SOURCE : Marketing Decrees , 1981-83

Table 2.8 : Official Price Schedule , Operation Riz Segou (MF/MT)

| | 1981/82 | 1982/83 | 1983/84 |
|---|---|---|---|
| 1. paddy producer price | 100000 | 110000 | 120000 |
| 2. moisture loss , 7% | 7000 | 7700 | 8400 |
| 3. market and collection costs | 3498 | 3498 | 5330 |
| 4. paddy bags wear | 4661 | 4369 | 4370 |
| 5. pickup&handling costs | 2989 | 2989 | 2589 |
| 6. extension&overhead | 10000 | 11000 | 12100 |
| 7. crop protection | 500 | 500 | 500 |
| 8. paddy poldergate cost | 128648 | 140056 | 153289 |
| 9. transport to millgate&handling | 7135 | 5638 | 5147 |
| 10. paddy millgate cost | 135783 | 145694 | 158436 |
| 11. rice equivalent (62%) | 219004 | 234990 | 255541 |
| 12. milling cost | 17579 | 17579 | 17579 |
| 13. by-product sale | 700 | -700 | -2991 |
| 14. unbagged rice millgate cost | 237283 | 251869 | 270129 |
| 15. B'TWILL bags | - | - | - |
| 16. bagged rice millgate cost | 237283 | 251869 | 270129 |

SOURCE : Marketing Decrees , 1981-83

Table 2.9 : Mali - OS P Operations

| | 1980 | 1981 | 1982 | 1983 forecast |
|---|---|---|---|---|
| Revenue | 2417 | 3686 | 7761 | 3398 |
| Taxes on : | | | | |
| Groundnuts | 23 | 150 | - | - |
| Cotton | - | - | - | - |
| Petroleum | 1748 | 2108 | 7063 | 3248 |
| Alcoholic Beverages | 111 | 581 | - | - |
| Other Merchandise | 250 | 698 | - | - |
| Other Taxes and Revenue | 285 | 149 | 698 | 150 |
| Expenditure and net Lending | -2251 | -3494 | -4290 | -2193 |
| Personnel and Material | -57 | -66 | -68 | -96 |
| Subsidies : | | | | |
| Groundnuts | -164 | -67 | -1712 | -266 |
| Cotton | - | - | - | - |
| Cereals | -1615 | -3200 | -2260 | -1744 |
| Other | -415 | -98 | -203 | -57 |
| Net Lending | - | -63 | -47 | -30 |
| Surplus | 166 | 192 | 3471 | 1205 |

SOURCE : IMF

Table 3.1 : OPAM Activities (000MT)

| | 1971/72 | 1972/73 | 1973/74 | 1974/75 | 1975/76 | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Domestic Purchases | 62 | 31 | 47 | 95 | 136 | 86 | 72 | 92 | 56 | 35 | 41 | 41 |
| Commercial Imports | 31 | 68 | 81 | 15 | 0 | 0 | 10 | 15 | 20 | 12 | 11 | 0 |
| Food Aid | 32 | 103 | 153 | 77 | 12 | 0 | 46 | 47 | 15 | 33 | 53 | 80 |
| Total Resources | 125 | 202 | 281 | 187 | 148 | 86 | 128 | 154 | 91 | 80 | 105 | 121 |
| Domestic Sales/Distributions | 78 | 136 | 172 | 111 | 95 | 105 | 91 | 78 | 87 | 68 | 64 | 96 |
| Exports | 0 | 0 | 0 | 0 | 7 | 29 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Uses | 78 | 136 | 172 | 111 | 102 | 134 | 91 | 78 | 87 | 68 | 64 | 96 |

SOURCE : OPAM

Table 3.2 : OPAM Storage Facilities

| | OWNED | | | | | | | | | | RENTED/BORROWED | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Regular stocks | | | | | Security Stock | | | | | | | |
| | warehouses | | silos | | total | warehouses | | silos | | total | | | |
| | No | cap.(MT) | No | cap.(MT) | (MT) | No | cap.(MT) | No | cap.(MT) | (MT) | No | cap.(MT) | (MT) |
| Bamako | 6 | 8365 | 13 | 6500 | 14865 | 0 | 0 | 0 | 0 | 0 | 1 | 300 | 15165 |
| Kayes | 5 | 3950 | 0 | 0 | 3950 | 3 | 7200 | 0 | 0 | 7200 | 7 | 1350 | 12500 |
| Koulikouro | 12 | 7200 | 0 | 0 | 7200 | 0 | 0 | 0 | 0 | 0 | 21 | 3030 | 10230 |
| Sikasso | 6 | 6250 | 0 | 0 | 6250 | 2 | 2400 | 0 | 0 | 2400 | 6 | 1365 | 10015 |
| Segou | 20 | 15180 | 0 | 0 | 15180 | 2 | 6000 | 10 | 5000 | 11000 | 10 | 3410 | 29590 |
| Mopti | 18 | 12750 | 0 | 0 | 12750 | 0 | 0 | 16 | 8000 | 8000 | 17 | 3295 | 24045 |
| Timbuktu | 7 | 9265 | 0 | 0 | 9265 | 2 | 2400 | 0 | 0 | 2400 | 9 | 995 | 12660 |
| Gao | 7 | 2710 | 0 | 0 | 2710 | 0 | 0 | 12 | 5000 | 5000 | 15 | 3260 | 10970 |
| Total | 81 | 65670 | 13 | 6500 | 72170 | 9 | 18000 | 38 | 18000 | 36000 | 86 | 17005 | 125175 |

SOURCE : OPAM

Table 3.3 : OPAM Local Cereal Purchases by Source and OSRP Support Paid to OPAM

| Source | Commodity | 1981/82 volume (MT) | 1981/82 price (MF/kg) | 1981/82 subsidy (MF/kg) | 1982/83 volume (MT) | 1982/83 price (MF/kg) | 1982/83 subsidy (MF/kg) |
|---|---|---|---|---|---|---|---|
| Direct | mil/sorgh | 3578 | 91 | 11 | 3896 | 105 | 22 |
| | maize | 629 | 91 | 11 | 2076 | 105 | 28 |
| | rice | 19 | | | 0 | | |
| Cooperatives | mil/sorgh | 2428 | | 38 | 3078 | 113 | 41 |
| | maize | 131 | | 45 | 750 | 113 | 46 |
| | rice | 4 | | | 0 | | |
| | paddy | 0 | | | 31 | | |
| CMDT | mil/sorgh | 5156 | 99 | 20 | 0 | | |
| | maize | 3326 | 127 | 50 | 8390 | 130 | 44 |
| | rice | 277 | 210 | 23 | 569 | 237 | 34 |
| | paddy | 0 | | | 10 | | |
| ON | rice | 17736 | 221 | 0 | 18986 | 198 | 0 |
| ORS | rice | 3794 | 237 | 17 | 3399 | 232 | 25 |
| ORM | rice | 1589 | 271 | 28 | 0 | | |
| OMM | mil/sorgh | 2101 | 99 | 20 | 142 | 101 | 13 |
| OZL | mil/sorgh | 169 | | | 0 | | |
| | rice | 66 | | | 0 | | |
| ABD | wheat | 24 | 163 | | 0 | 173 | |
| TOTAL | mil/sorgh | 13432 | | | 7116 | | |
| | maize | 4086 | | | 11216 | | |
| | rice | 23485 | | | 22954 | | |
| | paddy | 0 | | | 41 | | |
| | wheat | 24 | | | 0 | | |
| GRAND TOTAL | | 41027 | | | 41327 | | |

SOURCE : PRMC , OPAM

Table 3.4 : OPAM Direct Purchases (MT)

| Region | Commodity | 1982/83 | | |
|---|---|---|---|---|
| | | Own Agents | Traders | Total |
| Kayes | mil/sorg | 194 | 562 | 756 |
| | maize | 53 | 150 | 203 |
| | total | 247 | 712 | 959 |
| Koulikouro | mil/sorg | 844 | 128 | 972 |
| | maize | 639 | 240 | 879 |
| | total | 1483 | 368 | 1851 |
| Sikasso | mil/sorg | 207 | 286 | 493 |
| | maize | 446 | 57 | 503 |
| | total | 653 | 343 | 996 |
| Segou | mil/sorg | 1349 | 133 | 1482 |
| | maize | 237 | 15 | 252 |
| | total | 1586 | 148 | 1734 |
| Mopti | mil/sorg | 116 | 0 | 116 |
| Timbuktu | mil/sorg | 37 | 0 | 37 |
| | maize | 176 | 13 | 189 |
| | total | 213 | 13 | 226 |
| Total | mil/sorg | 2747 | 1109 | 3856 |
| | maize | 1551 | 475 | 2026 |
| Grand Total | all | 4298 | 1584 | 5882 |

SOURCE : OPAM

Table 3.5 : OPAM Sales/Distributions by Region (MT)

| | 1973/74 | 1974/75 | 1975/76 | 1976/77 | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83 |
|---|---|---|---|---|---|---|---|---|---|---|
| Bamako | 56010 | 35346 | 39543 | 43628 | 34757 | 39915 | 35782 | 29998 | 25049 | 30060 |
| Kayes | 21954 | 21725 | 16456 | 13173 | 11170 | 5549 | 4086 | 2708 | 5653 | 8291 |
| Koulikouro | 16891 | 17824 | 8178 | 9021 | 8567 | 2482 | 4297 | 5674 | 4287 | 3780 |
| Sikasso | 10669 | 6208 | 4647 | 9085 | 8865 | 5743 | 6792 | 4980 | 3901 | 4407 |
| Segou | 25524 | 6931 | 4305 | 5414 | 12484 | 10395 | 13524 | 8426 | 4838 | 10963 |
| Mopti | 19620 | 5335 | 2608 | 4706 | 6412 | 6050 | 10684 | 6926 | 4645 | 12296 |
| Timbuktu | 8507 | 6518 | 4102 | 6165 | 3630 | 4793 | 4782 | 3829 | 5090 | 12942 |
| Gao | 12897 | 11036 | 15406 | 13423 | 4989 | 2813 | 7140 | 5208 | 10193 | 13413 |
| TOTAL | 172072 | 110923 | 95245 | 104615 | 90874 | 77740 | 87087 | 67749 | 63656 | 96152 |

Table 3.6 : OPAM Sales/distribution by Product (MT)

| | 1980/81 | 1981/82 | 1982/83 | | |
|---|---|---|---|---|---|
| | | | domestic | imported | total |
| millet/sorghum | 16601 | 9231 | 11134 | 4320 | 15454 |
| maize | 91[illegible] | 14608 | 7679 | 16479 | 24158 |
| wheat | 1370 | 7407 | 0 | 3402 | 3402 |
| rice | 40676 | 32410 | 24796 | 28342 | 53138 |
| TOTAL | 67748 | 63656 | 43609 | 52543 | 96152 |

SOURCE : OPAM

Table 3.7 : OPAM Finances (MF millions)

| | 1977/78 | 1978/79 | 1979/80 | 1980/81 | 1981/82 | 1982/83(provis.) |
|---|---|---|---|---|---|---|
| sales | 9155 | 8847 | 7190 | 7691 | 6732 | 7790 |
| of which :(rice) | | | | | (5432) | (5490) |
| (coarse grains) | | | | | (1065) | (2060) |
| (bags) | | | | | (235) | (240) |
| other revenue | 44 | | | | 826 | |
| minus : cost of goods sold | | | | | | |
| = beginning inventory | 1479 | 1516 | 2405 | 2969 | 1409 | |
| + purchases | 6669 | 8938 | 11127 | 7341 | 7878 | 7260 |
| of which :(rice) | | | | | (5577) | (4860) |
| (coarse grains) | | | | | (1868) | (2140) |
| (bags) | | | | | (433) | (260) |
| - ending inventory | 1516 | 2405 | 2914 | 1409 | 2438 | |
| cost of goods sold | 6632 | 8049 | 10618 | 8901 | 6849 | 7260 |
| gross income | 2567 | 798 | -3428 | -1210 | 709 | 530 |
| salaries&personnel | 474 | 576 | 558 | 524 | 540 | 580 |
| taxes | 14 | 16 | 53 | 71 | 108 | 110 |
| services | 672 | 742 | 1456 | 519 | 506 | 510 |
| of which :(handling) | | | | | | (230) |
| transport | 1112 | 2142 | 1248 | 1249 | 1207 | 850 |
| of which :(OPAM) | | | | | (504) | (510) |
| (private) | | | | | (703) | (340) |
| milling | 69 | 61 | 104 | 0 | 0 | 0 |
| financial | 470 | 791 | 953 | 1008 | 977 | 950 |
| depreciation | 360 | 657 | 618 | 461 | 400 | 130 |
| miscellaneous | 92 | 188 | 127 | 260 | 194 | 200 |
| total expenditures | 3263 | 5173 | 5117 | 4092 | 3932 | 3330 |
| operating income | -696 | -4375 | -8545 | -5302 | -3223 | -2800 |
| subsidies | 0 | 1883 | 3080 | 3498 | 3223 | |
| of which : | | | | | | |
| - OSRP | - | 1883 | 855 | 2723 | 1500 | |
| - CNAVS | 0 | - | 1098 | 655 | 345 | |
| - PRMC | - | - | - | - | 1344 | |
| - Other | 0 | - | 1127 | 120 | 34 | |
| memo items : | | | | | | |
| - BCM short-term debt | 11808 | | 18400 | 18498 | 20000 | |
| - losses(%) | | | | | | |

SOURCES : PRMC,OPAM,ACDI

Table 3.8 : OPAM Staff Distribution (01/01)

| | 1975 | 1979 | 1981 | 1983 | 1984 |
|---|---|---|---|---|---|
| Bamako | 283 | 349 | 320 | 261 | 232 |
| Kayes | 100 | 96 | 107 | 97 | 84 |
| Koulikouro | 70 | 88 | 88 | 81 | 74 |
| Sikasso | 44 | 86 | 77 | 88 | 82 |
| Segou | 65 | 141 | 120 | 120 | 116 |
| Mopti | 63 | 96 | 92 | 92 | 83 |
| Gao | 57 | 70 | 58 | 58 | 58 |
| Timbuktu | 71 | 69 | 96 | 66 | 67 |
| TOTAL | 753 | 995 | 958 | 863 | 796 |

SOURCE : OPAM

ANNEX 1

Map No. 1: Mali Administrative Map

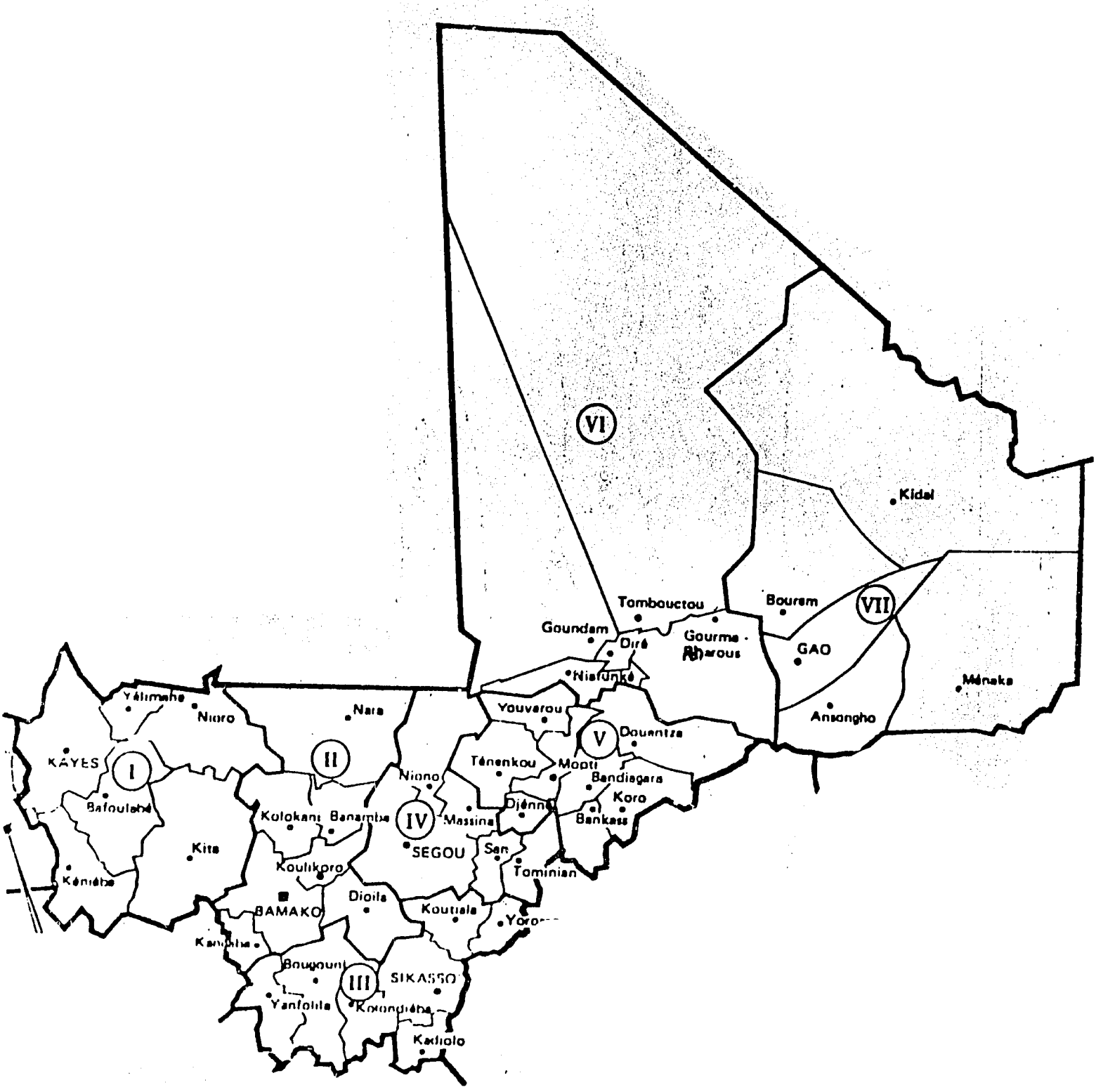
Map No. 2: Mali Rainfall Zones

Map No. 3: Rural Development Operations (ODRs')

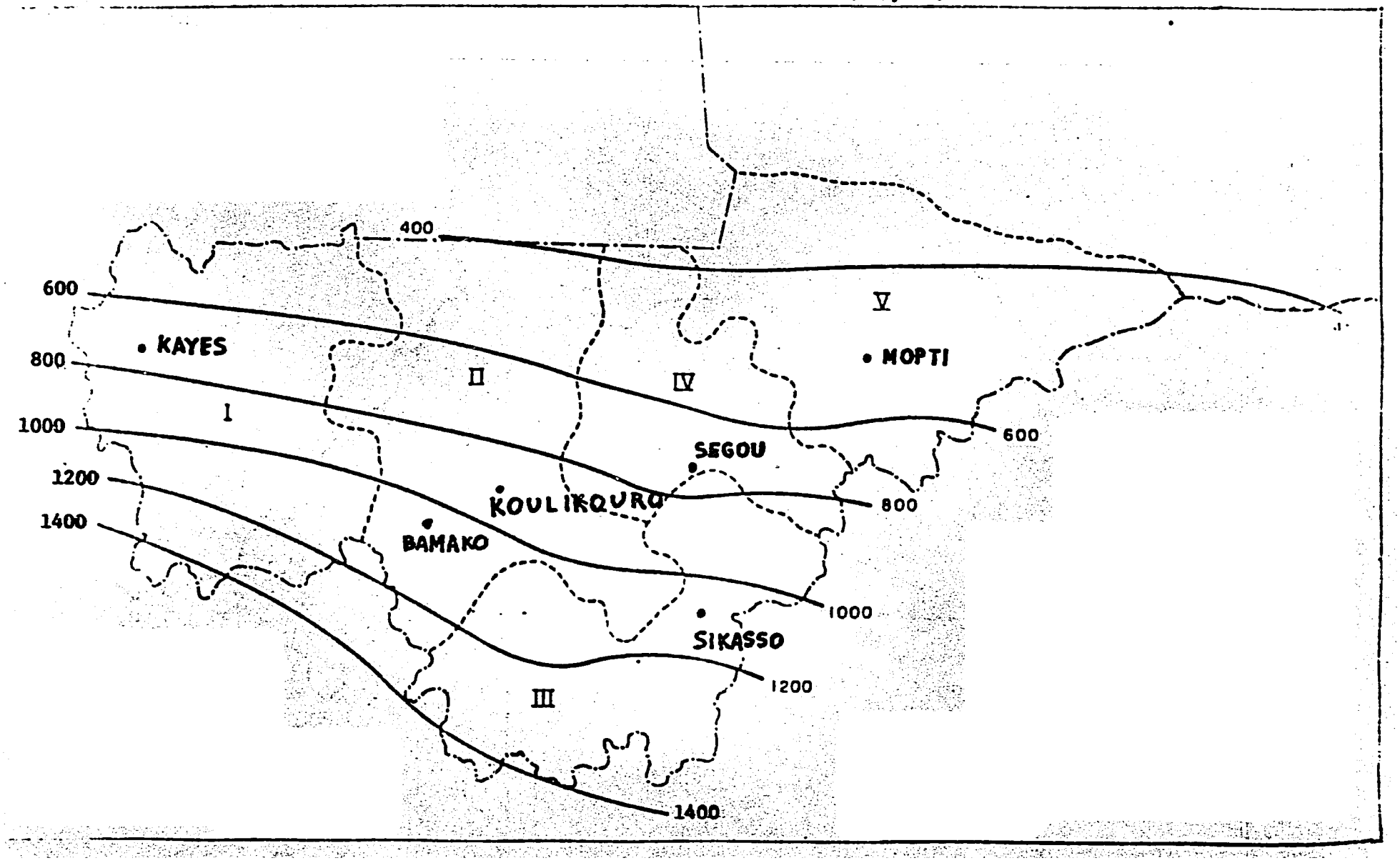
Map No 4: Cereal Trade Flows

## MAP No. 1 ; MALI ADMINISTRATIVE MAP

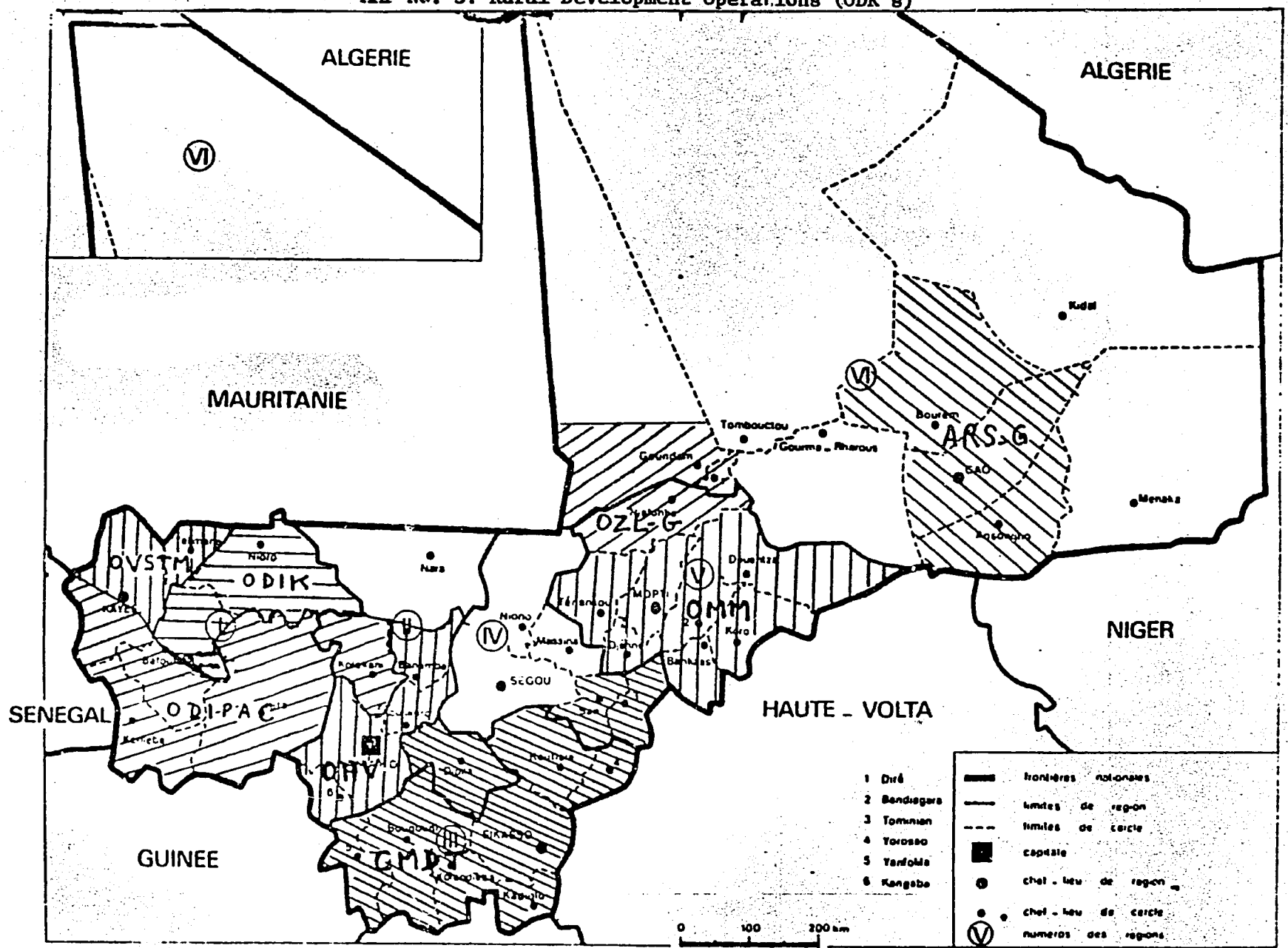
■ Capital
● Regional Capital
• Cercle Administrative Center
(IV) Region Number



MAP No. 2 Mali Rainfall Zones (mm/year)

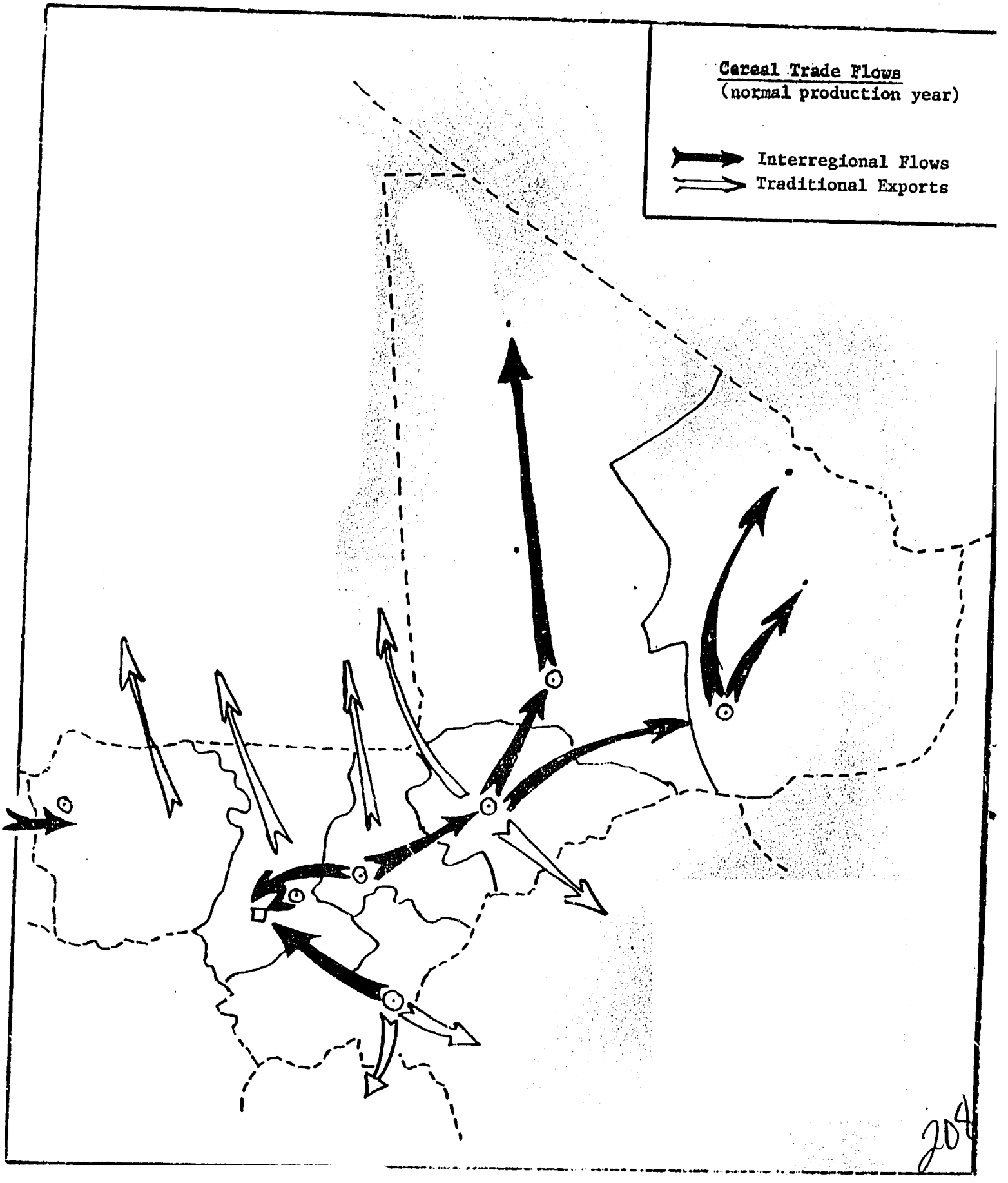


MAP No. 3: Rural Development Operations (ODR's)




Lot 1

MAP No. 4 : Cereal Trade Flows



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# Department of State

PL480 - Section 206

INCOMING TELEGRAM

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ACTION AID-00

INFO TELE-01 /001 A6

ACTION OFFICE FFP-03
INFO AFFW-04 AFCW-03 FVA-01 PPCE-01 PPPB-02 GC-01 GCAF-01
GCFL-01 FVMS-01 CALI-02 CPS-02 CT-01 AGRI-01 RELO-01
TELE-01 MAST-01 /027 A1 X05

INFO OCT-00 COPY-01 EUR-00 AF-00 CIAE-00 EB-08 DODE-00
10-15 L-03 AGRE-00 /027 W
944154 051931Z /51/38

O 051501Z JUN 84
FM AMEMBASSY BAMAKO
TO SECSTATE WASHDC IMMEDIATE 6174
INFO AMEMBASSY ABIDJAN
AMEMBASSY ROME

UNCLAS BAMAKO 3478

AIDAC

DEPT, FOR FBA/FFP; ABIDJAN FOR REDSO/FFPO; ROME FOR WFP

E.O. 12356: N/A
SUBJECT: MALI-PL 480 TITLE II SECTION 206, CEREALS MARKET RESTRUCTURING PROJECT TRANSFER AUTHORIZATION

1. TEXT OF DRAFT TRANSFER AUTHORIZATION FOLLOWS: QUOTE

TRANSFER AUTHORIZATION
SECTION 206, P.L. 480 TITLE II AID/NO. 688-XXX-000-0230
FOOD FOR DEVELOPMENT PROGRAM APPROVAL DATE:
EXECUTIVE VICE PRESIDENT PROGRAM TITLE: SECTION 206
COMMODITY CREDIT CORPORATION FOOD FOR DEVELOPMENT PROGRAM;
U.S. DEPARTMENT OF AGRICULTURE CEREALS MARKET RESTRUCTURING PROJECT
WASHINGTON, D.C. 20520 REPUBLIC OF MALI

IN ACCORDANCE WITH THE PROVISION OF TITLE II P.L. 480 (AS AMENDED), SECTION 1.201 OF EXECUTIVE ORDER 12220 AND THE INTERNATIONAL DEVELOPMENT COOPERATION AGENCY DELEGATION OF AUTHORITY NO. 5 EFFECTIVE JUNE 27, 1980, THE COMMODITY CREDIT CORPORATION (CCC) IS HEREBY AUTHORIZED TO TRANSFER AND DELIVER FOOD GRAIN TO THE GOVERNMENT OF THE REPUBLIC OF MALI (GRM) IN A AMOUNT VALUED AT AN ESTIMATED $5,7000,000 PURSUANT TO THE FOLLOWING INSTRUCTIONS.

1. USG FISCAL YEAR 1984
QUANTITY-METRIC TONS (MT) NOT TO EXCEED:

| PREVIOUS TOTAL | INCREASE | TOTAL TO DATE |
|---|---|---|
| 0 | 10,000 | 10,000 |

(PROJECTED USG FISCAL YEAR 1985: UP TO 10,000 MT) BUT NTE 15,000 MT (PROJECTED USG FISCAL YEAR 1986: UP TO 10,000 MT) TOTAL FOR THE TWO YEARS.

2. COMMODITY TO BE SHIPPED

| CODE | COMMODITY | AMOUNT (MT) | ESTIMATED VALUES |
|---|---|---|---|
| 042.2050 | RICE | 10,000 | 3,500,000 |

3. ESTIMATED OCEAN AND INLAND TRANSPORTATION COSTS: $2,200,000
ALL ACTUAL OCEAN TRANSPORTATION EXPENDITURES UNDER THIS PROGRAM, REGARDLESS OF THE ESTIMATE SHOWN ABOVE, ARE TO BE CHARGED TO THE BLANKET FREIGHT AUTHORIZATION NUMBER 935-9500-000-4899.

4. SPECIFICATIONS
RICE --BAGGED; USDA SPECIFICATION

5. SHIPPING INFORMATION:
A. DELIVERY SCHEDULE: AS SOON AS POSSIBLE
B. PORT OF DISCHARGE: ABIDJAN, IVORY COAST
C. POINTS OF ENTRY (TO LANDLACKED COUNTRY): TO BE DETERMINED

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D. CONSIGNEE: OFFICE DES PRODUITS AGRICOLES DU MALI (OPAM)
B.P. 132 BAMAKO
REPUBLIC OF MALI
E. SEND COPIES OF BILLS OF LADING TO:
1. ORIGINAL AND TWO COPIES AND PHYTOSANITARY CERTIFICATE TO CONSIGNEE VIA AIR-MAIL;
2. ORIGINAL AND TWO COPIES TO CONSIGNEE ACCOMPANYING CARGO;
3. ORIGINAL (NEGOTIABLE) AND PHYTOSANITARY CERTIFICATE TO ABIDJAN (ID) DEPT. OF STATE, WASHINGTON, D.C. 20520, ATTN: BUDDY DODSON RFFPO
4. ORIGINAL (NEGOTIABLE) AND PHYTOSANITARY CERTIFICATE TO BAMAKO (ID) DEPT OF STATE, WASHINGTON, D.C. 20520, ATTN: ROGER SIMMONS, PROG
5. ORIGINAL AND TWO COPIES TO AID TRANSPORTATION AND SUPPORT DIVISION: SER/COM/TR, OFFICE OF COMMODITY MANAGEMENT, WASHINGTON, D.C. 20523, ATTN: MS. IONNA JACKSON.
6. EMACI (ENTREPOTS MALIENS EN COTE D'IVOIRE, B.P. 2739 ABIDJAN IVORY COAST)

6. PROGRAM OBJECTIVES--USE OF COMMODITIES AND CONDITIONS OF TRANSFER:
A. THE COMMODITY AUTHORIZED HEREIN IS CONTRIBUTED BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA (USG) TO THE GOVERNMENT OF THE REPUBLIC OF MALI (GRM) IN THE FRAMEWORK OF THE CEREALS MARKET RESTRUCTURING PROJECT (PRMC).
B. THE GOAL OF THIS CONTRIBUTION IS TO HELP MALI ACHIEVE THE OBJECTIVES IT HAS SET FOR ITSELF IN ITS FOOD STRATEGY, PRINCIPALLY TO REACH FOOD SELF-SUFFICIENCY. THE SELF-HELP MEASURES PROVIDED HEREIN TO HELP ACHIEVE THIS GOAL ARE LIBERALIZATION OF CEREALS MARKETING, IMPROVED CEREALS PRODUCTION INCENTIVES AND A REDUCTION OF THE LEVEL OF PUBLIC RESOURCES REQUIRED BY THE CEREALS MARKETING SYSTEM.
C. THE FUNDS GENERATED FROM THE SALE OF THIS COMMODITY WILL BE USED FOR PURPOSES OR ACTIVITIES APPROVED BY THE PRMC, TO HELP FURTHER THE SELF-HELP MEASURES OUTLINED ABOVE AND IN THE FRAMEWORK OF THE FOOD STRATEGY.
D. THE GRM WILL SELL THE COMMODITY PROVIDED HEREUNDER ON THE MARKETUNDER THE PURPOSES INDICATED IN F BELOW. THE SELLING PRICE WILL NOT BE LESS THAN MF 246/KG, THE CURRENT OFFICIAL SELLING PRICE FOR RM, 40, AND WILL BE INCREASED TO REFLECT INCREASES DECIDED BY THE GRM IN THE APPLICABLE OFFICIAL CONSUMER PRICE FOR RM40 RICE. ALL SALES SHALL BE ADMINISTRATIVELY MANAGED IN SUCH A WAY AS TO AVOID DISCRIMINATING AMONG PROSPECTIVE PURCHASERS AND INTERMEDIARIES.
E. THE GRM AGREES TO PROVIDE USAID/BAMAKO, FOR APPROVAL, A DETAILED PLAN OF EXECUTION FOR SALES AND DISTRIBUTION OF

THESE COMMODITIES BEFORE THEIR ARRIVAL IN COUNTRY. THESE PLANS SHOULD INCLUDE THE QUANTITY TO BE DELIVERED TO EACH SALESPOINT, AS WELL AS AN ESTIMATE OF INLAND SHIPPING, STORAGE AND HANDLING COSTS IN MF PER KILO. SHOULD ACTUAL COSTS VARY MORE THAN 5 PERCENT FROM THE APPROVED ESTIMATE, THE GRM AGREES TO REQUEST USAID/BAMAKO'S APPROVAL IN WRITING AND PROVIDE ALL NECESSARY DOCUMENTATION BEFORE THESE COSTS ARE PAID. THE GRM WILL PAY ALL STORAGE, INTERNAL HANDLING, TRANSPORTATION, AND DISTRIBUTION COSTS OF THE COMMODITY HEREIN PROVIDED IN EXCESS OF THE MAXIMUM AMOUNT AUTHORIZED ABOVE TO BE USED FOR SUCH LOGISTICS COSTS.
F. AN AMOUNT WILL BE DEDUCTED FROM THE GROSS PROCEEDS OF COMMODITY SALES, CORRESPONDING TO OPAM'S INLAND SHIPPING, STORAGE, HANDLING AND OVERHEAD COSTS RELATED TO THE SALE OF THE COMMODITIES, AS DETERMINED FOLLOWING PRMC PROCEDURES. THE RESULTING NET PROCEEDS WILL BE DEPOSITED IN BANK ACCOUNT BDM NO. 260-3180/BDM AND SHALL BE USED FOR PURPOSES OR PROJECT ACTIVITIES APPROVED BY THE PRMC AND ACCORDING TO ITS PROCEDURES. THE FOLLOWING IS A TENTATIVE LIST OF SUCH PURPOSES OR ACTIVITIES, AS IT MAY BE AMENDED FROM TIME TO TIME BY MUTUAL AGREEMENT WITHIN THE PRMC:

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1. PAY A PRORATED PORTION OF THE DEFICITS INCURRED BY OPAM ON A BASIS AGREED WITH THE PRMC, EXCLUDING THAT PART OF THE DEFICIT CORRESPONDING TO INTEREST PAYMENTS ON DEBTS OUTSTANDING PRIOR TO THE PRMC, AND ON A DECLINING BASIS YEAR AFTER YEAR.

2. PROVIDE FINANCIAL SUPPORT TO PADDY MARKETING LIBERALIZATION, AS PROVIDED IN THE LETTER ADDRESSED BY PRMC DONORS TO THE GRM DATED FEBRUARY 22, 1984.
3. FINANCE THE BUILD-UP BY OPAM THROUGH LOCAL CEREAL PURCHASES OF ITS INTER-YEAR FOOD STOCKS TO BE USED IN CASE OF DECLARED EMERGENCY IF, AS AND WHEN APPROVED BY THE PRMC.
4. FINANCE THE EXTENSION OF THE PROVISION OF AGRICULTURAL CREDIT BY BNDA, IF, AS AND WHEN APPROVED BY THE PRMC.
5. OTHER PURPOSES OR ACTIVITIES IN SUPPORT OF THE SELF-HELP MEASURES AND IN THE FRAMEWORK OF THE FOOD STRATEGY, AS THEY MAY BE APPROVED BY THE PRMC.

7. P.L. 480 FOOD FOR DEVELOPMENT PROGRAM- INDICATIVE BUDGET
THE FOLLOWING ESTIMATED BUDGET HAS BEEN PREPARED FOR INDICATIVE PLANNING PURPOSES. IT IS REALIZED THAT THE ELEMENTS IN THIS BUDGET MAY BE CHANGED DURING THE LIFE OF THE PROGRAM AND OF THE PROJECT. COSTS ARE DENOMINATED IN MILLIONS OF MALI FRANCS (MF) AND IN U.S. DOLLARS (THOUSANDS); 1 US DOLLAR EQUALS MF 800 (MF 100 EQUALS $0.125)

| | YEAR 1 | YEAR 2 | YEAR 3 | TOTAL |
|---|---|---|---|---|
| A. ESTIMATED REVENUE | | | | |
| TOTALS FOR FFP PROGRAM | | | | |
| (MF MILLIONS) | 1,940 | 1,550 | 1,645 | 5,135 |
| (DOLLARS 000) | 2,425 | 1,938 | 2,056 | 6,419 |
| B. PURPOSES OR ACTIVITIES | | | | |
| (MF MILLIONS) | | | | |
| -OPAM DEFICIT | 259 | 155 | 82 | 496 |
| --PADDY MARKETING LIBERATIZATION | 485 | 258 | 137 | 880 |
| -EMERGENCY FOOD STOCKS | 323 | 258 | 274 | 855 |
| -AGRICULTURAL CREDIT | 323 | 258 | 274 | 855 |
| C. TOTAL (MF MILLIONS) | 1,390 | 929 | 767 | 3,086 |
| TOTAL (DOLLARS 000) | 1,738 | 1,161 | 959 | 3,858 |
| D. UNALLOCATED REVENUES | | | | |
| (MF MILLIONS) | 550 | 621 | 878 | 2,049 |
| (DOLLARS 000) | 687 | 777 | 1,097 | 2,561 |

8. IMPLEMENTATION OF FOOD FOR DEVELOPMENT PROGRAM
A. ALL OPERATIONAL ASPECTS OF THE PROJECT WILL BE IMPLEMENTED THROUGH THE ESTABLISHED MECHANISMS UNDER THE PRMC.
B. ALL FINANCIAL ASPECTS OF THE PROJECT WILL BE MONITORED FOR USAID PURPOSES THROUGH THE ESTABLISHED MECHANISMS UNDER THE PRMC.
C. ALL ACCOUNTS AND RECORDS PERTAINING THERETO WILL BE AVAILABLE FOR INSPECTION UPON REQUEST BY OFFICIALS REPRESENTING THE GRM OR THE USG.

9. ENTRY OF COMMODITY:
THE GRM WILL ADMIT THE COMMODITY INTO THE COUNTRY FREE OF ALL CUSTOMS DUTIES, TAXES, AND OTHER FEES IMPOSED ON IMPORTS INTO THE REPUBLIC OF MALI. THE GRM WILL PAY ALL STORAGE, INTERNAL HANDLING AND DISTRIBUTION COSTS ON THE COMMODITY HEREIN PROVIDED WHICH ARE IN EXCESS OF THE SUMS AUTHORIZED AND ACCRUED IN THE GENERATION OF THE SALES OF THE COMMODITIES.

10. DISTRIBUTION OF COMMODITY:
A. THE GRM AGREES TO SUBMIT TO THE USG THE INITIAL DISTRIBUTION PLAN AND TO KEEP THE USG FULLY INFORMED CONCERNING TH STATUS OF THE COMMODITY RECEIPTS, DISTRIBUTION AND SALES AND TO PROVIDE COMPLETE DETAILS AS REQUESTED REPRESENTATIVES OF THE USG WILL BE PERMITTED TO AUDIT AND HAVE ACCESS TO ALL RECORDS PERTAINING TO THE USE OF THE COMMODITIES PROVIDED BY THIS TRANSFER AUTHORIZATION (TA). THE GRM FURTHER AGREES TO SUBMIT THE FOLLOWING INFORMATION:



1. BEGINNING STOCKS OF COMMODITY
2. ARRIVAL
3. DISTRIBUTION
4. SALES
5. DAMAGED STOCKS
6. FINAL STOCKS
7. CURRENCIES GENERATED
8. DEPOSITS AND DISBURSEMENTS.

11. SELF-HELP MEASURES
-. THE GRM AGREES TO CONTINUE TO IMPLEMENT SELF-HELP MEASURES TO IMPROVE THE PRODUCTION, STORAGE AND DISTRIBUTION OF

FOOD COMMODITES. THE SELF-HELP MEASURES SHALL BE IMPLEMENTED TO CONTRIBUTE TOTHE DEVELOPMENT OF RURAL ZONES WHICH ACCOUNT FOR THE LARGEST PROPORTION OF THE POOR IN MALI, AND TO ENABLE THE RURAL POOR TO ACTIVELY CONTRIBUTE TO INCREASING AGRICULTURAL PRODUCTION.
B. THE GRM WILL UNDERTAKE OR CONTINUE TO IMPLEMENT THE FOLLOWING SELF-HELP MEASURES:
A. IN THE FRAMEWORK OF CEREALS MARKETING LIBERALIZATION:
BENCHMARK: COARSE GRAINS MARKETING LIBERALIZATION WILL BE MAINTAINED;
BENCHMARK: CEREAL IMPORT LIBERALIZATION WILL BE MAINTAINED;
BENCHMARK: STARTING IN THE 1984/85 SEASON IN OPERATION RIZ MOPTI AND IN THE 1986/87 SEASON IN OFFICE DU NIGER AND OPERATION RIZ SEGOU (ACCORDING TO A TIMETABLE ESTABLISHED IN A MEMORANDUM OF UNDERSTANDING AGREED BETWEEN THE GRM AND PRMC DONORS), PADDY PRODUCERS WILL BE AUTHORIZED TO MARKET THEIR PRODUCTION FREELY WITH PRIVATE TRADERS, PROVIDED THEY HAVE PAID THEIR LEVIES AND CREDIT OBLIGATIONS, AND PRIVATE TRADERS WILL BE AUTHORIZED TO FREELY PURCHASE, SELL AND PROCESS PADDY OR RICE.
B. IN THE CONTEXT OF IMPROVING CEREALS PRODUCTION INCENTIVES:
BENCHMARK: OFFICIAL PRODUCER PRICES WILL CONTINUE TO BE ANNOUNCED PRIOR TO THE SOWING PERIOD;
BENCHMARK: THE PRMC WILL CONTINUE TO TAKE PART IN THE DISCUSSIONS OF THE COMITE TECHNIQUE;
BENCHMARK: OFFICIAL PRODUCER PRICES WILL BE SET SO AS TO COVER PRODUCTION COSTS AS DETERMINED BY IER;
BENCHMARK: PRICE DATA COLLECTION WILL CONTINUE EVERY TEN DAYS IN BAMAKO MARKETS, AND MONTHLY ON REGIONAL MARKETS. AN EFFORT WILL BE MADE TO IMPROVE THE COLLECTION OF PRODUCTION PRICES IN A REPRESENTATIVE SAMPLE OF RURAL MARKETS;
BENCHMARK: BY THE END OF 1985, A DETAILED PROPOSAL WILL BE PRESENTED TO DONORS FOR THEIR FINANCING, THE OBJECTIVE OF WHICH WOULD BE TO SUBSTANTIALLY IMPROVE AGRICULTURAL PRODUCTION STATISTICS;
BENCHMARK: IN ADDITION TO PRODUCER PRICE POLICY MEASURES, ACTIONS UNDERWAY IN RICE PRODUCING ODR'S RESULTING IN IMPROVED PRODUCTION INCENTIVES (IMPROVED LAND TENURE, DELEGATION OF TASKS TO PRODUCER ASSOCIATIONS, FLEXIBLE LEVIES, ETC.) WILL BE REINFORCED.
C. IN THE CONTEXT OF EFFORTS TO REDUCE THE COST OF THE OFFICIAL MARKETING SYSTEM IN TERMS OF PUBLIC RESOURCES:
BENCHMARK: OPAM'S COST REDUCTION PROGRAM WILL BE PURSUED AND A SIMILAR PROGRAM UNDERTAKEN IN OTHER INTERMEDIARIES IN THE OFFICIAL MARKETING SYSTEM;
BENCHMARK: OFFICIAL CEREAL CONSUMER PRICES WILL BE DETERMINED SO AS TO ALLOW, TAKING INTO ACCOUNT MEASURES RESULTING IN A REDUCTION OF MARKETING COSTS, A REDUCTION OF OPAM'S DEFICIT NET OF SUBSIDIES AND A REDUCTION OF SUBSIDIES TO THE OFFICIAL MARKETING SYSTEM (EXCLUDING OPAM) RESULTING FROM THE BAREMES SCHEDULES);
BENCHMARK: THE PRMC WILL TAKE PART IN THE DISCUSSIONS OF THE COMMISSION DES BAREMES (PRICE SCHEDULE COMMISSION);

BENCHMARK: OFFICIAL CONSUMER PRICES WILL BE ADJUSTED SEASONALLY BEGINNING IN 84/85;
BENCHMARK: THE TECHNICAL ASSISTANCE PROVIDED IN THE FRAMEWORK OF THE PRMC WILL BE MAINTAINED.
C. THE ABOVE SELF-HELP MEASURES HAVE BEEN SPECIFICALLY DESIGNED TO ENCOURAGE FOOD PRODUCTION BY THE RURAL POOR. CEREALS MARKETING LIBERALIZATION, IMPORVED CEREALS PRODUCTION INCENTIVES AND REDUCED PUBLIC FUNDING OF THE MARKETING SYSTEM SHOULD RESULT IN HIGHER RURAL HOUSEHOLD INCOMES, HIGHER CEREAL PRODUCTION AND A MORE PRODUCTIVE ALLOCATION OF PUBLIC RESOURCES, AS WELL AS TO CONTRIBUTE TO BRINGING MALI CLOSER TO FOOD SELF-SUFFICIENCY.

12. AMENDMENTS
THE ABOVE TERMS MAY BE AMENDED UPON REQUEST OF THE GRM WITH THE CONCURRENCE OF THE USG.

13. OFFICIAL VERSION:
IN THE EVENT OF CONFLICT BETWEEN THE FRENCH AND ENGLISH VERSIONS OF THIS AGREEMENT, THE ENGLISH VERSION SHALL PREVAIL.

14. AUTHENTICATION:

(SIGNED) DATE
FOR THE USG

(SIGNED) DATE
FOR USAID

15. REQUEST AND ACCEPTANCE:
THE COMMODITY AND ASSISTANCE DESCRIBED IN THIS PURCHASE AUTHORIZATION (PA) IS HEREBY REQUESTED AND THE TERMS AND CONDITIONS OF THIS AGREEMENT AND OF AID REGULATION NO. 11, F.R. 34034-34045, JUNE 13, 1979 (ATTACHED AND INCORPORATED HEREIN BY REFERENCE), EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HERE ARE HEREBY ACCEPTED BY THE GOVERNMENT OF THE REPUBLIC OF MALI.

(SIGNED) DATE
REPUBLIC OF MALI

UNQUOTE
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Department of State

OUTGOING TELEGRAM

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ORIGIN AID-00

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CT-01 AFDA-01 FVPP-01 AGRI-01 COM-02 OMB-02 TRSY-05
RELO-01 MAST-01 /054 A4 315

INFO OCT-00 AF-00 EB-08 L-03 /011 R

DRAFTED BY AID/FVA/FFP/I:P WENGER:JW
APPROVED BY AID/A/FVA/FFP:T LAMBACHER
USDA/FAS:P KIEFER (DFT)
OMB:M USNICK (DFT)
STATE/EB:J TUCKER (DFT)
FVA/FFP/II:M KERST (DFT)
AID/PPC/PB:L TANNER (DFT)
AFR/PD:P HOLMES (DFT)
AFR/SWA:L WERLIN (DFT)
AID/GC:J CLYNE (DFT)
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FM SECSTATE WASHDC
TO AMEMBASSY BAMAKO IMMEDIATE
INFO AMEMBASSY ABIDJAN PRIORITY

LIMITED OFFICIAL USE STATE 175202

AIDAC, ABIDJAN FOR AGATT AND REDSO/FFPO

E.O. 12356: N/A
TAGS:
SUBJECT: MALI PL 480 SECTION 206 PROGRAM TRANSFER AUTHORIZATION

REF: BAMAKO 3478

(1) DCC MEMBERS HAVE APPROVED SUBJECT TRANSFER AUTHORIZATION (TA) AS SUBMITTED REFTEL, WITH THE ADDITIONAL LANGUAGE SET FORTH IN PARA 2 BELOW, AND INITIATED PROCUREMENT OF COMMODITIES.

(2) PLEASE INSERT AS NEW PARA 4 OF THE TA (AND RENUMBER SUBSEQUENT PARAGRAPHS ACCORDINGLY) THE FOLLOWING: QUOTE

IN ORDER TO ASSURE THAT THE COMMODITIES PROVIDED UNDER THIS AUTHORIZATION WILL NOT DISPLACE COMMERCIAL PURCHASES FROM THE UNITED STATES OR OTHERWISE DISRUPT WORLD FOOD PRICES OR TRADE PATTERNS, THE GOVERNMENT OF MALI AGREES THAT MALI WILL IMPORT, AGAINST COMMERCIAL

PURCHASES, NOT LESS THAN THE TYPES AND QUANTITIES OF COMMODITIES SET FORTH IN THE FOLLOWING TABLE:

| COMMODITIES | IMPORT PERIOD U.S. FISCAL YEAR | USUAL MARKETING REQUIREMENT (METRIC TONS) |
|---|---|---|
| RICE | 1984 | 29,000 |

UNQUOTE.

(3) MISSION IS HEREBY AUTHORIZED TO SIGN APPROVED TA WITH GRM AND BEGIN NEGOTIATION OF MEMORANDUM OF UNDERSTANDING (MOU) BASED ON APPROVED PROGRAM PAPER. PLEASE NOTIFY WASHINGTON BY UNCLASSIFIED IMMEDIATE CABLE WHEN TA SIGNED AND AIR POUCH DOCUMENTS TO JAMES FEENEY, FVA/FFP/POD, RM 439-A, SA-2.

STATE 175202 6497 013906 AIDDZZ6

(4) PLEASE KEEP AID/W INFORMED OF PROGRESS NEGOTIATING MOU AND NOTIFY WHEN SIGNED IN SAME MANNER AS FOR TA.

SHULTZ

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