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UPDATE REPORT OF
AGRIBUSINESS INVESTMENT OPPORTUNITIES
IN THE IVORY COAST

PREPARED BY

THE

AMERICAN SOCIETY OF AGRICULTURAL CONSULTANTS INTERNATIONAL

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I. INTRODUCTION

During November, 1989, a two-men team of members of the American Society of Agricultural Consultants International (ASACI) visited the Ivory Coast under a grant agreement with the U.S. Agency for International Development (USAID), Office of Market Development and Investment, Bureau for Africa.

The purpose of the grant is to stimulate private sector agribusiness growth in sub-Saharan Africa by encouraging prospective U.S. agribusiness companies to invest their resources of capital, management and technology in joint ventures with African enterprises.

To encourage and attract the interest of potential U.S. agribusiness investors, the grant proposes to reduce for them some of the up-front risks and costs of international business development.

This is accomplished by preparing and making available to U.S. agribusinesses information on agribusiness investment conditions and user-ready profiles of agribusiness opportunities in selected countries, prepared by experienced ASACI industry professionals.

The purpose of the mission to the Ivory Coast was to prepare an update of the findings of two earlier missions completed by ASACI under the auspices of the U.S. Trade and Development Program, covering the agricultural sector, investment climate, and project profiles of potential agribusiness investment opportunities in the Ivory Coast. The two reports covering the findings of these earlier missions, copies of which are still available through ASACI, are:

Reconnaissance Survey Report on Agribusiness Opportunities in the Ivory Coast, dated May 31, 1985, and

Project Profile Report on Agribusiness Investment Opportunities in the Ivory Coast, dated January 3,1986.

The November, 1989, reconnaissance team was comprised of two professionals experienced in international work:

Michael W. Hurley, ASACI Vice President for International Agribusiness Projects, McLean, Virginia, with 9 years of in-residence overseas agribusiness experience and 5 years of agribusiness project travel to more than a dozen countries, and

Konrad Biedermann, President of KONNEX Consulting, Ossining, N.Y., with 30 years of agribusiness experience, of which over 20 years were spent as Director of Planning and Vice President of a major U.S. based international agribusiness firm.

The team first reviewed the latest published material on agricultural developments and the current investment climate in the Ivory Coast. This was followed by one week of field work in the Ivory Coast, spent in discussions with U.S. and Ivorian government personnel, businessmen, bankers, entrepreneurs, World Bank, African Development Bank personnel, and others. During these interviews, update information was obtained concerning the latest developments in the agricultural sector and the status of specific and general investment opportunities as identified in 1985.

Efforts have been made to include sufficient background information into the current report to let it stand on its own. However, for additional detail and for potential follow-up, it is recommended that readers also obtain and review the two earlier ASACI reports referenced above, and other background material listed in Appendix B.

It should be noted that because the report is only a preliminary analysis of the different project opportunities, each potential investor must make his own independent investigation and assessment of a prospective venture before making any investment decision.

Potential investors should also be aware of certain U.S. trade laws that affect investment in any project designed to promote exports to the United States, and are advised to consult with their trade counsel to assess such concerns.

To facilitate follow-up on individual project opportunities, the report lists potential Ivorian partners interviewed by team members. The ASACI consultants who prepared this report are available to the potential investor interested in following up on Ivorian project opportunities, as is the agricultural expertise of other consultants who are members of the American Society of Agricultural Consultants International.

The prospective investor may obtain the current study (and the earlier reports) at a reasonable cost, as well as information on ASACI consultants, by contacting the Society's headquarters at the following address:

American Society of Agricultural Consultants International
8301 Greensboro Drive
Suite 260
McLean, Virginia 22102

Telephone: (703) 893-8303/04
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II. SUMMARY OF FINDINGS

For the first two decades since its 1960 independence, the Republic of the Ivory Coast (Cote d'Ivoire) had become known as a model developing economy. With good export earnings from cocoa and coffee and a high rate of savings and investment, the country attained high rates of economic growth, built a good transport and communications infrastructure, maintained political stability, and established a liberal attitude toward private investment. There were few things a foreign investor could find fault with.

To be sure, energy costs are high, the local market for luxury goods is small, French is the business language, and the French are still dominating the scene. This relationship is dating back to their presence before independence, and before any U.S. businessmen arrived. But in all, and especially as the result of the government's ready acceptance of free enterprise and ready convertibility and repatriation of foreign investment, the situation offered an almost ideal foreign investment climate.

That is the way ASACI Agribusiness Teams found the situation in 1985. In this positive investment environment, the teams identified 23 different prospective projects, of which six were profiled as desirable foreign investment opportunities. Three U.S. companies invested in identified project opportunities to establish ongoing joint venture businesses. Many other U.S. companies surveyed project opportunities, with some prospective investments yet under consideration.

In the meantime, the situation has changed. World prices for coffee and cocoa, the two export commodities on which the Ivory Coast economic miracle had been based, have collapsed from their lofty levels of the past decade. Unfortunately, the Ivory Coast government did not react promptly, but kept spending and supporting production above world prices. An ill-fated attempt to force matters by keeping their crops off the market in the late eighties only backfired.

The gaps in public spending had to be covered by borrowing, to the point where the country today is among the highest international debtors, on a per capita basis. Debt payment obligations have turned the otherwise still favorable balance of trade into a negative cash flow, and lead to an extreme cash shortage that is restricting the operation, let alone the expansion of business, and has lead to negative economic growth for the past 2-3 years. Per capita GNP, which in 1981 had grown to a level of $1,200 (the highest in Black Africa), has now collapsed to just about $700. Banks are calling loans, and there have been acrimonious arguments among political parties as to the best economic counter measures to take.

The team's assessment as to how all this is affecting opportunities for U.S. agribusiness investment in the Ivory Coast lets us conclude the following. On the negative side:

- Low coffee and cocoa prices are likely to prevail for long periods in the future. There is little relief to come from this quarter.

- Past attempts to diversify Ivorian agriculture into other export crops have not yet shown much success. Thus, growth in agricultural export earnings overall is not likely to be forthcoming.

- The foreign debt load is heavy, and will remain so even after attempts and concessions for stretching out debt payments.
- In line with the above, it could be that in the future the Ivorian government might see itself forced to de-value the CFA franc and/or restrict outflows of capital from the country.

Regardless of this, however, the following still holds true:

- The matter regarding political succession of the aging president appears to be sufficiently under control so as not to lead to a complete upset of the political situation.
- Some steps have already been taken to reduce internal commodity support prices to levels closer to world market prices.
- The infrastructure of the Ivory Coast remains one of the best to be found in a developing country.
- The attitude toward foreign investment remains friendly, and further development and diversification of the country's agricultural resources remain prime goals.
- New sources of capital and lendable funds have emerged, including a new debt/equity swap program being implemented by Citibank.

In line with the project mission's findings, this update report concludes:

1. The economic situation in the Ivory Coast has deteriorated significantly since 1985, and is not likely to revert to its prior soundness within the foreseeable future. In fact, current trends could lead to a CFA devaluation, and restrictions in regard to remittances and repatriation of capital.
2. The political situation does appear stable and there is no evidence that the generally favorable attitude of the government toward private business might change.
3. While it always had been difficult to arrange financing for developing country agribusiness projects, some new sources have opened up. These include major bank debt/equity swap programs, international equipment supplier financing, and some new venture capital funds.
4. The need to look at a proposed venture in the context of the entire existing agribusiness system of the host country remains important. Since development of the storage, processing and marketing sectors are spotty, the ability to link up with specific existing segments, or to satisfy specific government goals, are very important.

Based on the foregoing assessment, this update mission finds that, in spite of its present economic difficulties, the Ivory Coast situation still offers a viable agribusiness investment climate, and the listing of project opportunities compiled in 1985 is still relevant today.

III. COUNTRY BACKGROUND

A. HISTORY, GOVERNMENT, AND LAW

The Ivory Coast gained its independence in 1960, after having been governed by the French since 1904. In contrast to many other newly independent countries, the Ivory Coast retained close relationships with France after independence. The Constitution of the country is founded on the French system of law, and provides for a three-branch secular Republic, with strong powers given to the Executive.

The current president, Houphouet Boigny, in office continuously since independence of the country, has been using these powers effectively since 1960. He is now 84 years old, and there has been some positioning among political parties other than the ruling Parti Democratique de la Cote d'Ivoire (PDCI) to provide viable candidates for the upcoming 1990 election. However, even though the credibility of the PDCI has been damaged by recent economic developments, it still seems firmly in control.

B. GEOGRAPHY AND NATURAL RESOURCES

The Republic of the Ivory Coast, whose size and area is approximately that of New Mexico, is located on the southern coast of the continental bulge that is West Africa. The country is divided roughly equally into a southern forest zone and a northern savannah area. The former produces the cocoa, coffee, timber, bananas, and pineapples that provide the majority of the export earnings of the agriculturally based economy. The latter is the production source of livestock and the basic food crops.

Annual rainfall averages 80-120 inches. The principal rainy season lasts from mid-May to mid-July. Water resources are usually adequate to provide for the country's predominant reliance on hydro-electric power, and for some food crop irrigation.

C. POPULATION AND EMPLOYMENT

Population in 1988 is reported at 11.6 million and has been growing in excess of 3%/year, primarily on account of free immigration from neighboring countries. It is comprised of more than 60 different ethnic groups. The official language is French, and literacy of the population is reported as 35%

The largest city and commercial center is Abidjan (2.7 million). Yamoussoukro is the official capital since 1983, but the seat of government remains in Abidjan. More than one-half of the people are living in towns and cities, and urbanization of the population is a continuing process.

The foreign population includes some two million Africans from neighboring nations, about hundred thousand Lebanese heavily concentrated in trade, and thirty thousand Frenchmen who still play important roles in government advisory and high-level managerial positions.

There is a program of Ivorization underway to gradually bring young Ivorian professionals into key positions of the economy. Yet, the great portion of the employment force is unskilled and occupied in the agricultural sector. Under-employment and unemployment are moderately high, and on the increase as migration to urban centers continues to rise.

D. ECONOMY

The Ivorian economy is largely based on agricultural production and processing. The agricultural production sector accounts for nearly 30% of GDP, compared to less than 5% in the United States. Including processing, the Ivorian agri-business sector (inputs, production, and processing combined) accounts for some 60% of GDP, compared to barely 20% in the U.S., where food processing and marketing are much more developed. Ivorian agriculture accounts for seventy percent of export earnings, and provides eighty percent of all employment.

The currency of the country is the Communaute Financiere Africaine franc (CFA), which is tied to the French franc at 50 CFA francs = 1 French franc. The CFA exchange rate to the U.S. dollar has during recent years fluctuated mostly in the 280 - 340 range. In this report, we have used an exchange rate of 300 CFA per U.S. $1.00.

The philosophy of the government and economic climate are favorable to free enterprise, and have prior to the collapse of agricultural prices in the mid-eighties, lead to an annual growth rate of the economy of as high as eleven percent per year.

It was primarily the collapse of world prices for cocoa and coffee that has cut deeply into export earning of the Ivory Coast. Even though the trade balance of the country is still positive, debt payments and other foreign obligations have lead to a cash shortage that has seriously reduced the previously high rate of investment and has over the last two years caused a contraction of the economy.

World prices for cocoa and coffee are not likely to revive significantly in the near future, and the debt obligations of the country are fixed. For these reasons we believe that the former situation of high economic growth is not likely to return in the foreseeable future. For more details, see Background Notes on Cote d'Ivoire, item 4 and the reference list, Appendix B.

IV. OVERALL INVESTMENT CLIMATE

A. POLITICAL STABILITY, AND TREATMENT OF FOREIGN INVESTMENT

Especially in comparison to many other developing countries, the Republic of the Ivory Coast has enjoyed good political stability since its independence in 1960. President Houphouet-Boigny, a moderate leader of considerable stature in Africa, uses direct personal dialogue with representatives of various segments of Ivorian society. The PDCI, the single ruling party, includes most elements of the country's political life and serves as a forum for policy decisions, and as an instrument for ensuring the application of government policies.

President Houphouet-Boigny has been in office continuously since 1960, and he is 84 years old now. His economic policies and good export earnings from tropical products had permitted relatively high economic growth and a high rate of investment during the 1960's and 1970's. The high economic growth rate was achieved in part by a high level of internal support prices for cocoa and coffee. However, the collapse of world prices for these crops during the early 1980's reduced export earnings and heavy international debt payments lead to severe cash flow shortages. As a result, economic growth during the last two years has been negative, and speculation regarding presidential succession has lead to some in-fighting among political leaders.

A program has been implemented to diversify agricultural production and reduce dependence upon cocoa and coffee export earnings. So far, it has been only partially successful. However, the President has now started to reduce domestic support prices for the major export crops closer to prevailing world prices, which should help to work off stocks and reduce government expenditures. Furthermore, political dialogue is taking place, and even though the matter of succession to President Houphouet-Boigny is not settled yet, and not even sure to come up in 1990, it is expected that succession can take place without disturbance of political stability in the Ivory Coast.

The government has always held to equitable treatment of foreigners as witnessed by the presence of large numbers of immigrants in the country. However, in the area of employment, under the Ivorianization policy, foreigners are being displaced from some jobs by Ivorians, and any new job opportunities may not be filled by foreigners if any Ivorian is qualified for the position, as determined by the Labor Ministry.

The laws are applied equally to foreigners and Ivorians alike, with the exception of the exclusion of foreigners from those areas of activity considered as strategic to Ivorian national interests. At the same time, foreigners enjoy no special privileges under the law.

All investments from outside the franc zone - capital contributions, capital allocations, or loans - must be approved by the Finance Ministry. These approvals are readily and routinely given, as well as those relating to the repatriation of capital and profits of foreign companies.

The Ivory Coast is a member of the West African Monetary Union (UMOA), a regional subdivision of the Franc Zone, and its currency is the CFA franc, which is tied to the French franc at the fixed rate of 50 to 1. Its convertibility is guaranteed by the French Central Bank. But developments inside the Ivory Coast during the last few years have lead to the conviction in international circles that the CFA at this time may be over-valued by as much as 30%.

Since 1975, the Ivory Coast has been a member of the Economic Community of West African States (ECOWAS) which promotes regional economic development. Common policies among member countries encompass the removal of tariffs on all unprocessed goods and the partial reduction of tariffs on priority industrial products, as well as efforts toward the coordination of investment projects among them.

The six-nation Economic Community of West Africa has established a regional cooperative tariff among its members and provides for favorable trade and customs privileges with the developing country members and the European Common Market, though recent Ivorian legislation has equalized the duties applied to American and European imports. Even so, France maintains its distinct supremacy among all other countries in terms of the closeness of its bilateral relations and the volume of its investment.

The Ivory Coast is a party to the GATT, the Paris Union International Industry Property Convention, and the Convention of the Settlement of Investment Disputes, and as such is supportive of fair trade, patent rights, and investment protection.

Ivorian policy and legislation encourages and protects foreign investment, and the independent nation has a history as providing one of the most liberal investment climates in Africa. There are presently over 60 American firms operating in the Ivory Coast with a direct investment in excess of $1.0 billion dollars.

American authorities are not aware of any outstanding investment disputes or examples of involuntary expropriation. The country has an independent judiciary system which effectively and fairly enforces contractual agreements. In addition, the Ivory Coast and the United States have concluded an agreement which makes the investment services of the U.S. Overseas Private Investment Corporation (OPIC) available to U.S. investors approved by the Ivorian government.

Through various tax exemptions and relief measures, Ivorian investment legislation offers the foreign investor considerable incentives, especially in agriculture and agro-industry. The revisions made in 1985 to the Ivory Coast Investment Code favored investments in areas outside Abidjan, and gave special treatment to investments which promote Ivorian employment. While there are clear investment guidelines, each investment is considered separately by Ivorian Government officials, allowing room for negotiations.

B. LEGAL AND BUSINESS ISSUES, AND TAXATION

The two most widely used corporate forms in the Ivory Coast are the public and the limited liability company (S.A. and S.A.R.L.

respectively). However, foreign companies that wish to establish a corporate presence sometime choose to register a branch rather than form a subsidiary because branch offices are less expensive to set up and easier to administer.

In general, Ivorian requirements for organizing a business closely follow French legal practice. Therefore it would be best for interested firms to obtain experienced legal counsel in the Ivory Coast.

Taxes for companies in the Ivory Coast are manyfold and on a cumulative basis very high, but new ventures can obtain various kinds of exemptions during the first few years of operations. Industrial and commercial ventures are subject to income tax and surcharge imposed at a cumulative rate of 40%. Operating losses can be carried forward for three years. For individuals, the income tax rate is 25%.

Net corporate income is also subject to a 10% mandatory contribution to the national investment fund. The firm can, at a later point in time when making qualifying investments, obtain reimbursements of these amounts. But in the meantime, this tax does constitute a drain on the funds generated by a business.

There is a tax on income from capital (IRCM), subdivided into the tax on securities (IRVM) and the tax on income from loans (IRC). The IRVM is imposed on dividends at 12% of the distributed amount. It is also levied on the annual earnings of branches at 12% of pre-tax profits. The IRC is levied on loan interest at a general rate of 18%.

There are withholding taxes on salaries and wages, and payroll taxes ranging from 10 to 16% due by the employers.

A value added tax is levied on goods. Imported goods are taxed when they clear customs. The general rate is 25% of the pre-tax price, although exemptions, reduced or increased rates apply to specific merchandise. The tax on services is levied at a rate of 25% on the sale of services that are used in the Ivory Coast.

Custom duties are imposed on most imported goods. The duties on consumer goods are especially high, reaching two to three times the price in the country of origin. Export duties are levied on most agricultural products on the basis of standard values, with rates varying from 0-30%. Exports by priority enterprises get special reductions.

All businesses pay a number of less significant taxes, such as registration duties, the business license tax, a real property tax, and various municipal taxes.

C. REMITTANCES, TRANSFERS, REPATRIATION, AND CONVERTIBILITY

Since 1962, the CFA franc has been pegged to the French franc at the rate of 50 CFA to 1 FF. Its convertibility is guaranteed by the French Central Bank. The Ivory Coast does not restrict the repatriation of capital and profits of foreign companies. While formal authorization is required for transfers outside the franc zone, permission has routinely been granted to firms that are properly registered. Under the recent cash flow shortage of the country it is possible, though, that in the future delays in the transfer of funds may occur.

Regarding transfer of payments to foreign suppliers, strict measures are being applied due to the present Ivorian economic situation. Local importers are thus required to submit proforma invoices before payments are made by local commercial banks to foreign suppliers.

The United States and the Ivory Coast have not concluded a bilateral tax treaty, as have other countries, to avoid all duplicate taxes. However, under U.S. laws American companies operating in the Ivory Coast may claim a credit against U.S. taxes for taxes paid to the Ivory Coast.

In general, the Ivorian government has non-restrictive investment and payment policies, as well as a liberal attitude toward private enterprise and foreign investment. Yet, the Ministry of Commerce does administer price controls applicable to many kinds of goods. Also as is customary business practice, all enterprises must maintain basic accounting registers and file financial statements each year. For entry into the country, three-month visas are generally available without delay, and for those wishing to reside in the Ivory Coast, one-year multiple entry visas are available with the presentation of approved employment contracts.

Though the Ivory Coast is party to the General Agreement on Trade and Tariffs, imports from foreign countries are subject to licensing according to an annual import program that establishes for each country a quota through bilateral commercial agreements and a global quota that can be applied to any of the countries.

The Ivory Coast which uses the Brussels Tariff Nomenclature (BTN) for classifying products, has two basic customs charges: a fiscal duty levy which generally is between 5-20%, and a customs duty levy which varies between 5-15%, but can reach 40% for goods also produced locally. Goods from all developed countries are now admitted on a non-discriminatory basis. Additional import taxes include a value-added tax ranging from 10.5% to 33.5%, a 0.6% contribution to the Ivorian Foreign Trade Center, and excise taxes on tobacco and alcohol. Import duties and all other taxes on goods are based on CIF and advalorem prices.

D. INFRASTRUCTURE

The Ivory Coast has one of the best developed transportation sectors in sub-Saharan Africa, consisting of three international and eighteen domestic airports, two major seaports, 400 km of navigable lagoons, 50,000 km of roads and 675 km of rail. Transportation costs, however, are high, mostly as the result of very high energy costs.

The Ivory Coast is only partially self-sufficient in petroleum, and is taxing the use of petroleum products heavily. Gasoline costs 350

CFA/liter (about $4.40/gallon), and diesel fuel is priced at 245 CFA/liter (about $3.10/gallon). Furthermore, even though the Port of Abidjan has facilities to accommodate smaller ocean vessels without problems, overall costs are said to be significantly higher than in neighboring country ports, such as Lome. This appears to be due to many additional and ancillary charges to get things done. Another matter that is likely to increase air freight availability and cost in the future is the effort of the regional carrier Air Afrique to reduce landing rights of foreign air carriers.

The communications system is modern, including submarine cable, satellite, and microwave technology for international connection. Most businesses have their own telexes and fax machines, and international calls to the United States and other developed nations may be made 24 hours a day on a direct-dialed basis. Commercial correspondence is ordinarily conducted by airmail letters with normal delivery time from the U.S. being two weeks, but often taking longer.

Production and distribution of electric energy are controlled by a state-owned company. The inter-connection of the country's electric grid is extensive, with 90% of electricity generation coming from hydro-power. Electrification is said to have reached 75% of the population. Energy cost was quoted to us as 60 CFA/kwhr, which is about equivalent to $0.20/kwhr and significantly higher than elsewhere.

E. FINANCING SOURCES

There are a number of different sources available for capital to finance investment projects in the Ivory Coast. While proper applications and registration with the Ivorian authorities are necessary, no problems should be encountered in the movement of funds into the country from abroad. These sources include:

1. Equity capital from abroad, which may be brought into the Ivory Coast.

2. Equity capital from local investors.

3. Equity capital or subordinated debentures raised by way of debt/equity swaps with banks holding Ivorian public debt. Citibank is in the process of developing a program along these lines.

4. Borrowings from the African Development Bank.

5. Loans, guarantees, or risk capital from the Africa Development Fund, or the Africa Enterprise Fund, of the International Finance Corporation.

6. Funds made available for the medium to long term (3-15 years) through the Africa Growth Fund or other private venture capital sources.

7. Both long-term borrowings and working capital funds from Ivorian commercial banks (presently almost unobtainable).

Each of these sources and institutions have their own requirements for the submission of feasibility studies, evaluation of ventures, and conditions under which they will commit funds. Furthermore, for the U.S. investor ready to commit capital, both OPIC and Eximbank have available insurance programs to guarantee and protect the proposed investment against the special risks of doing business overseas.

For more details on the above topics, see items 5, 6, 7, and 9 in Appendix B: Bibliography.

IV. AGRIBUSINESS ENVIRONMENT

A. THE ROLE OF AGRICULTURE IN THE IVORY COAST

Agriculture has been and remains the most important sector of the Ivorian economy. About one-fifth of the land area is cultivated. Of the cultivated area, one-third is devoted to starchy root crops, another third to cocoa and coffee, and the remainder to cereals and miscellaneous crops such as cotton, peanuts, African palm, coconut, and sugar.

Cocoa and coffee exports have been the engine, fueled by decades of good earnings from high world prices, that has made rapid economic growth possible. That situation, however, has changed with the collapse of world cocoa and coffee prices since the mid-1980's. Diversification in crops has been stressed by the government, but to date this program has been only partially successful.

Agriculture in the current year is receiving 39.9 percent of the government budget allocations (about 57.8 billion CFA or over $190 million), which keeps it the major priority sector. This level of expenditure on agriculture further demonstrates a renewed emphasis the government of the Ivory Coast is placing on rural development and modernization of agriculture. However, in line with the new realism forced on the country by its inability to move its over-priced cocoa and coffee harvests into world markets, the government has reduced the farm support price for these and other crops to more realistic levels. On the consumer side, only rice has an official ceiling price. For the major export and food crops, current farm level support prices are as follows:

	Support Price	
	CFA/kg	$/MT
Cocoa **	200	667
Coffee	100	333
Corn	55	183
Rice **	60	200

B. LAND DISTRIBUTION AND TENURE

The largest holdings are in coffee and cocoa, averaging 250-300 ha per establishment in the southern region. Cereal farms range from 4 ha per holding for millet to 55 for rice. Average holdings in root crops are somewhat higher (23 and 35 ha for cassava and yams). Plantains, palm nuts, cocoa, cotton, peanuts and other crops are all grown on farms averaging 8 ha or less.

The government objective of achieving more intensive production had given rise to a series of government institutions, consisting of:

Three regional state agricultural promotion and extension institutions, Four specialized development institutions which operate nationwide,

Four agribusiness processing complexes for palm oil, sugar, and rubber processing, and for reforestation programs,

Seven independent public agricultural research institutions.

All land at Independence in 1960 was declared the property of the State. This sweeping declaration was never applied; in 1980, legislation passed that recognized existing ownership and provided for privatization of state-owned land in order to facilitate the activities of the parastatal development corporations.

For several years now, it has been the objective of the government to privatize the state agribusiness processing complexes. So far, these efforts have not been successful, in part because the government tried to dispose of the facilities at an artificially high asset value. Now, the government seems to be coming around to recognize that earnings value is what matters to a prospective investor. Thus, a number of government-held agricultural assets, including two 5,000 ha sugar plantations that would be suitable for corn production, are still for sale. If a realistic price could be negotiated, these assets could become the base for a new venture financed by foreign investment.

Another high-priority matter with the Ivorian government is the Young Farmer/Return to the Land Program. This program, based on both social and development objectives, aims to induce the younger generation (those in the range of twenty to thirty years old) to go into agricultural production. Young farmers get 2 ha of land assigned to them, and receive support services from the government, such as free fertilizer and machine work. If they succeed, the area assigned to them is enlarged, and eventually they could qualify for obtaining from the government their own equipment. However, based on experience to date, the Young Farmer Program's future rate of expansion as well as its overall viability remain uncertain.

Land for use by foreign investors is generally obtainable at low cost from existing holders, such as village chiefs. Obtaining title, however, is a more difficult matter.

C. MAJOR CROPS

<u>Cocoa</u> has been the major crop, and the Ivory Coast ranks first in production. It is strictly an export crop, with domestic consumption accounting for only a fraction of 1 percent of production. Cocoa occupies about 1.5 million ha or one-sixth of the agricultural area. Maximum yields for modern plantations are 750 kg/ha whereas for traditional plantations they are 450 kg/ha. Production in 1988/89 is expected to hit a new record, 710,000 MT. In line with the government's intention to diversify production, policies to discourage expansion of cocoa area are being implemented. However, for the next few years, cocoa production is expected to continue growing as more acreage reaches bearing age and young trees reach their peak bearing years.

Coffee is the second-most important export crop, and occupies 1.4 million ha. As in the case of cocoa, domestic consumption accounts for only a fraction of one percent. The average yield of Ivorian coffee plantations is below 4 bags @ 60kg/ha, which is low primarily due to the age of the trees. The government is trying to increase the coffee production area, but their efforts are being hampered by lack of financial resources. In addition, the GOCI's policy of producer price parity between coffee and cocoa encourages expansion of cocoa plantations while discouraging farmer interest in coffee.

Rice covers an area of about 600,000 ha, with rough rice production near 700,000 MT (450,000MT milled basis). This indicates a low average yield of about 1.2 MT/ha rough rice, compared to 3.3 MT/ha for the world overall. In 1989, the production area under mechanization was estimated at 37 percent, up from 35% in 1988. Despite the fact that fertilizer for irrigated rice is supplied free to small farmers by the government, its use is not widespread, and use of herbicide and insecticide are even smaller, because these inputs are not of free supply. The government has pursued policies intended to increase the domestic self-sufficiency rate. With annual consumption near 765,000 MT and rice imports on the order of 350,000 MT per year, self-sufficiency now stands at only about 55%. Application of enhanced production methods and expansion of area should find a ready market outlet domestically.

Corn production presently occupies about 650,000 ha and amounts to about 520,000 MT. The average yield is less than 1.0 MT/ha, use of improved seeds covers only half of the area, and nearly two-thirds of the area is still grown using manual cultivation only. Present yields are far below the potential of the land, with 5.0 MT/ha yields already demonstrated with modern production methods, and 7.0 MT/ha considered achievable. Imports are only on the order of 20,000 MT. Production is spread throughout the country, and 90% of utilization is for human consumption. The minimum producer price remains unchanged at 50 CFA/kg. There is a strong feeling that significant improvements can be made in corn production, and a ready market can be found domestically for the product.

Millet and sorghum production combined cover about 120,000 ha and amount to about 80,000 MT/year. Millet is used mainly for human food, in the form of porridge or boiled into a local food paste. It is also used in brewing, as is some corn and rice grits. Prices vary regionally and can range from a low of 150 CFA/kg in some regions to over 300 CFA/kg in other locations.

Wheat. The Ivory Coast does not produce any wheat, primarily for climatic reasons. But consumption is supported by the existence of an official maximum price for flour, and the existence of a segment of economically well-off people in the urban areas. Official prices for ordinary bread have remained unchanged at 265 CFA/kg ($0.40/lb) since 1984, and growth in wheat consumption has now stagnated at approximately 230,000 MT due to the country's cash shortage and economic set-back during the past 2-3 years, which has adversely affected bread consumption by workers in the urban areas. All wheat imports have been coming from France in the form of soft wheat. The U.S. Wheat Associates have opened a promotional office in Abidjan in

1989, but no U.S. sales have been made yet.

Other crops grown in lesser amounts include cotton, tobacco, and rubber for industrial utilization, and sugar cane, vegetables, bananas, and pineapples for human consumption, with part of the crop being exported. Cassava, and yam production, however, are for home consumption. A recent effort to assemble several truckloads of cassava failed, because people in the country did not consider cassava a cash crop and were not willing to sell their private food supplies.

The climate permits, for most field crops and in most locations, more than one harvest per year. However, due to unequal rainfall throughout the year, only one of the harvests can be considered the major one. Production statistics cover both harvests, but their relative contribution is not the same.

Livestock production declined in 1988 due to price uncompetitiveness of the locally produced animal products compared to low-priced imported products. The following figures for 1987 imports and 1988 production provide a general picture of the situation:

	Production MT	Imports MT Meat
Cattle	14,090	22,155
Sheep & Goat	4,950	415
Pigs	7,100	852
Poultry	16,850	1,974
Eggs	12,600	-

Crop Diversification has been a stated priority of the Ivorian government for three decades. However, increasing coffee and cocoa production has meant that the relative share of export revenue generated by these two commodities has always been several times that generated by all other primary products for export together. The major alternative primary products for export are five: cotton, palm oil, wood, rubber, and bananas/pineapple.

Cotton and rubber are the best prospects for developing significant earnings. Cotton has in the past been subsidized at an above world-market price, but measures to improve efficiency should lower costs in the near future. Natural rubber has found new attention in a regional effort to create an "African Brand" for rubber. Ivorian rubber is of high, though still inconsistent quality, and a new initiative at standardization should help.

For some other traditional sources of export revenue the outlook is for declining sales. Natural forest resources are rapidly being depleted. Also, European unification in 1992 and beyond will mean the cancellation of the banana quota that the Ivory Coast has enjoyed with France, and provide challengers with new hopes for participation in the European fruit market. Palm plantations planted more than 20 years ago are becoming decreasingly productive. Furthermore, western consumers are concerned about saturated fat intake and have reduced demand for palm oil products.

Some other initiatives have proven economically unsound and dismal failures. This includes sugar and rice production for export, and the same judgement is now being voiced regarding efforts to develop soybean production in the Ivory Coast.

There is an additional area of agricultural production which up to this point has not been developed sufficiently to see it mentioned in regular discussions. It is aquaculture, consisting of the cultivation and raising of fish and shellfish. Fish provide over 50 percent of the protein in the Ivorian diet, and in the early 1980's, Ivorian fishing fleets provided roughly half of the 189,000 MT consumed. As Ivorian ocean fishing is limited by a narrow continental shelf, aquaculture is considered to hold promise for expansion through new investment.

It is safe to say that for the time being, the Ivory Coast will remain heavily dependent on coffee and cocoa as its primary exports, and remain a heavily agricultural country. In the context of that situation, though, there are opportunities for expanded production for domestic consumption, for agricultural inputs and processing, and for export of fresh fruits and vegetables to the European market.

D. PRODUCTION INPUTS, STORAGE, PROCESSING, AND MARKETING

With the exception of some integrated large-scale production units, agriculture in the Ivory Coast is largely small-scale and by Western standards very primitive. Beginnings of an agribusiness system do exist, but every investor will need to check out on a case by case basis to what extent his project needs to provide its own production inputs, storage, processing, and marketing services.

The government of the Ivory Coast has created as one of its instruments for improvement of agriculture several seed production facilities, which have been offered for privatization since the mid nineteen-eighties without success. While to date no private party has been sufficiently interested to acquire these assets, Pioneer Seed Company has started, since 1986, its own experiment station and since 1988 its own seed company. Their primary efforts have been directed at testing and introduction of tropical varieties of hybrid corn that have proven successful in geographic areas of equal climate. In future years, their product offerings will be widened.

Domestic capacity to produce fertilizer has been estimated at 100,000 MT, but production in 1988/89 has declined to 63,000 MT, due to stagnant domestic producer prices. Domestic consumption of locally produced fertilizer in 1987/88 was 38,400 MT, with the remainder of production being exported. But there also were reported fertilizer imports of 94,000 MT in 1987, primarily of nitrogen materials.

There is no existing country-wide system of grain storage facilities. Total grain storage capacity is totally inadequate, with most supplies stored in bags. There are many areas that do not offer any commercial collection facilities. Thus, in most cases new processing ventures will have to develop their own collection and storage system.

There exist four main feedmills, all located near Abidjan. Also, some of the larger poultry producers are said to mix their own compound feed. Combined production capacity is said to be far in excess of current utilization. Sales by the commercial compounders are made primarily to the poultry industry.

The country has nearly a dozen large rice mills, with a combined processing capacity of 450,000 MT, and storage capacity of 118,000 MT. However, last year only 110,000 MT of paddy rice were actually processed, since only a fraction of the domestically-grown rice is sold off-farm. Rice imports are mostly in milled form. However, earlier this year the U.S. sold some 13,000 MT brown rice to the Ivory Coast that will be processed locally.

The Ivory Coast has two wheat flour mills. They are the Grand Moulins d'Abidjan (GMA) located at the port of Abidjan, and the Grand Moulin de Sud-Ouest (GMSO) located at the port of San Pedro. Both mills are under the same management. Current total grinding capacity is estimated at 310,000 MT, of which 250,000 MT are at GMA and 60,000 MT at GMSO. Combined storage capacity of the two facilities is around 40,000 MT. Grinding volume in 1987 amounted to about 225,000 MT. Of the 45,000 MT wheat bran produced, 27,000 MT where sold to local feed mills, and the remainder was exported to the UK, U.S., and Ireland.

The above indicates that under the current limited commercialization of crops, excess processing capacity exists. Any new ventures incorporating processing will need to make sure that they have organized and covered their own sources of supply in order to be able to operate at an economic level of capacity utilization.

E. CONCLUSIONS AND RECOMMENDATIONS FOR THE PROSPECTIVE U.S. AGRIBUSINESS INVESTOR

Our review of the current investment climate in the Ivory Coast showed that in spite of recent economic difficulties it is still one of the best to be found in any developing country. The slowness of progress in implementation of some investment projects identified 4 years ago can be found more in the general difficulties associated with getting a new business venture off the ground in any developing country.

For the most part, the agribusiness sector in these economies and their local markets are less fully and uniformly developed than is the case in the environment from which the investor is coming. That means that in most instances one must take an entire systems approach to project planning, assuring that relevant inputs and required storage and transportation services can be made available. This increases the scope and cost of most projects. Furthermore, markets work differently, and introduction of new products in these societies takes longer than generally anticipated.

From the team's assessment of the agribusiness sector including projects presently in the discussion or implementation stage, the following recommendations and criteria are offered to the prospective U.S. investor surveying agribusiness project opportunities in the

Ivory Coast:

- Having a product that can show significant economic benefits to the user already without changing his traditional approach (hybrid seed corn) is a distinct benefit.

- Providing an accepted product cheaper than alternatives available at this time can be expected to enhance rapid acceptance, e.g., making available new supplies of lower-priced corn meal as an alternative to rice consumption.

- If a project promises solution to a specific government objective, such as providing a market outlet for the production of the Young Farmers Program, significant outright government support can be obtained, e.g. making grain storage space and a building for the corn mill available free or nearly free of charge.

- Having experienced partners who will take full responsibility for ongoing management when applying new technology is a must, as in the case of aquaculture production.

- Local partners with access to resources and government support can be an invaluable help.

- Trying to set up a project with an undue degree of financial leverage will delay or make impossible the arranging of adequate financing.

For the successful development of agribusiness project investment opportunities in Ivory Coast, and in particular, those described in the section that follows, the prospective U.S. investor is advised to take into account the recommendations above in preparing an economically sound business plan.

VI. UPDATE OF PROJECT INVESTMENT OPPORTUNITIES

The ASACI team's approach in this update of the Ivory Coast agribusiness investment climate consisted of examining changes that have taken place over the last 4 years, reviewing the type of project opportunities that had been identified in 1985, and identifying what progress has been made in implementing them.

A. BACKGROUND

In April, 1985, the ASACI Reconnaissance Survey Team developed a preliminary list and general description of priority projects for further screening, selection and profiling by the follow-up ASACI Project Profile Team in November of the same year.

The Project Profile Report, dated January 3, 1986, features six project investment profiles, namely: pineapple production, rice production, beef cattle industry integrated project, fresh water fish farming, marine shrimp farming and charcoal production from wood.

The Profile Report also provided brief descriptions of several project opportunities. Notable among them were an integrated corn production/milling/marketing project, vegetable farming, and coconut production and processing.

B. SURVEY UPDATE OF PROJECT INVESTMENT OPPORTUNITIES

1. Summary of Progress Toward Project Development

The current survey of Ivorian agribusiness has revealed that all of the project investment opportunity profiles are still valid commercial business opportunities, and offer investment and trade opportunities for U.S. companies.

Of the three project descriptions, the corn project resulted in investments by two U.S. agribusinesses, and the other two projects are under appraisal by prospective investors.

One of the priority projects from the reconnaissance survey report, dairy processing, was developed into a joint venture involving a significant investment by Citibank.

Information on project developments are presented below under the subtitles of domestic and export market production.

2. Domestic Production Projects

a. <u>Integrated Corn Production, Processing and Marketing</u>

Pioneer Overseas Corporation in 1986 established a research station in Yamoussoukro, and more recently began selling hybrid seed corn varieties imported from other tropical countries that they had tested for suitability and performance in the Ivory Coast. The venture has the full support of local officials, because it is the major source of hybrid corn seed supplies for the Young Farmers Program of the Ivorian government.

Furthermore, the improved seed is able to show improved yields even with marginal application of improved production methods. Full application of modern production methods has resulted in truly dramatic increases in yields.

An Ivorian project sponsor, Mr. Marcel Boigny (a relative of the President), together with Cereal Food Product Cote d'Ivoire (a subsidiary of Cereal Food Processors in Kansas City) have been promoting construction of a corn dry milling facility. The proposed milling capacity is 30,000 MT/year, with an anticipated initial grinding volume of 20,000 MT/year. This is a $10.0 million project. The Ivory Coast government has shown great interest and support because the mill will provide a guaranteed outlet for the corn production of the Young Farmers Program. Accordingly, the government is providing silo space and an empty building of an unused rice mill at Yamoussoukro to the venture.

Local observers feel that the project has a good chance for success because it will be producing corn meal and grits for human consumption that will be lower-priced than competing rice products. With a large segment of the population used to corn as a major part of their diet, and the present squeeze on incomes, finding a ready market should not be a problem. But project calculations show that corn supplies from the Young Farmers Program will not be sufficient, and the project will have to produce some of its own corn. Furthermore, plans call for a high degree of financial leverage, and financing for the project has not been fully secured yet.

An opportunity remains for a U.S. commercial corn farming companies to establish large scale modern farming ventures to supply the market created by the milling operation of Cereal Food Products with its needed input of 30,000 MT/year to obtain cost efficient levels of processing capacity utilization.

b. Rice Production

Under an agreement with the Government of the Republic of the Ivory Coast, the U.S. Rice Council has approval for importing brown rice for local milling, and at the same time is providing technical assistance to demonstrate viable production methods and obtainable yields to local growers.

The viability of joint ventures of U.S. rice growers with domestic producers would be enhanced, especially if the present U.S. Rice Council trials produce good yields, and if Pioneer rice seed test plantings yield promising results under Ivorian agronomic conditions.

c. Beef Cattle Breeding and Production

The African Project Development Facility (APDF) reports that it is conducting a business evaluation study of a breeding project presented by an Ivorian entrepreneur who has a 800 head breeding herd on a 500 hectare ranch.

The project is seeking financing and the input of both management and breeding stock from a prospective foreign joint venture partner.

Contact of U.S. agribusinesses with the Ivorian cattleman can be arranged by contacting Mr. Andre Cracco, APDF Regional Representative in Abidjan per contact information in Appendix A.

d. Fresh Water Aquaculture

A local businessman, Mr. Blaise Yapi, together with the U.S. firm Aqua Technology Ltd. has established a local company, Ivoire Aquaculture (IVAQ), for the purpose of producing catfish and other species in ponds. Mr. Yapi, as official of the village of Adzope has access to significant land resources, and Aqua Technology Ltd. has considerable experience and investment in aquaculture production in the U.S. and overseas. The project itself is said to cover an area of 2,000 ha and require an investment on the order of $12 million, but will be developed in stages. Feasibility studies have been completed, but financing has not yet been fully arranged.

Since the Ivorian nation still satisfies 50% of domestic consumption through imports, market opportunity exists for those U.S. cost efficient producers ready to meet the competition from existing suppliers.

e. Vegetable Farming

Mr. Leon Kakou, an Ivorian land owner and official in the government agency overseeing major development projects, owns 2,000 ha of land some 250 km northeast of Abidjan near Niabley, with suitable climate and adequate water resources to develop commercial vegetable production. He has a feasibility plan for the establishment of such a venture, including possible exportation of product to the European markets. He is looking for investors.

Opportunity exists for a prospective U.S. joint venture partner to supply needed technical, managerial and marketing expertise to the project, which would have the domestic market as an immediate consumer base. As production/marketing/managerial capacity and efficiency are developed, opportunities of export to the EC winter markets could be assessed.

f. Dairy Products

SIALIM, a French company, has constructed and is operating a condensed milk plant in Abidjan. The financing of the project includes Ivorian and French investors, equity participation by Citibank achieved through a debt/equity swap, and credit from the major processing equipment supplier APV. There existed a local market need, but once local production started, imported products, the price of which had remained essentially unchanged for 10 years, started to compete by reducing prices.

Accordingly, the project did require and actually obtained government protection through increased duties on imported milk products.

The opportunity for further value added dairy products has not been fully explored, though Yoplait brand yogurt, produced under license with General Foods, enjoys Ivorian market acceptance.

g. Charcoal Production

The African Project Development Facility reported that it has had under consideration a project proposed by Danish investors to develop a commercial charcoal business.

Though financing has not been committed to the project, serious foreign investor interest supports the continued validity of this ASACI project opportunity profile for prospective U.S. investors.

2. Export Production Opportunities

a. Marine Shrimp Farming

The ASACI project opportunity profile comprised an integrated operation including hatchery, 300 ha of grow out ponds, and a packing facility. Foreign investment in Ivorian shrimp farming appears to confirm the validity of the project profile.

Project plans for an integrated shrimp business have been developed by the Blohorn Group, an enterprise associated with the Unilever Company. It was reported that project implementation has already begun with the construction of civil works and a hatchery. Technology plans are founded on the culture of the monodon species. Breeding stock and project management will come from the company's established aquaculture operations in Sri Lanka.

Sites other than the Grand Lahou location of the Unilever project have been shown by technical studies to have good potential for aquaculture project development.

Opportunities thus exist for experienced U.S. shrimp farming companies which could bring appropriate technology and management to the development of Ivorian aquaculture. A local shrimp processor and exporter has expressed interest to the African Project Development Facility (APDF) in integrating backward into the shrimp production business through a joint venture arrangement with an experienced aquaculture company.

U.S. companies can obtain more information on the project and the project sponsor by contacting the APDF through contact data provided in Appendix A.

b. Pineapple Production

The existing production of pineapple and other high value fruits such as bananas, mangoes and papaya for export to the EC market has notable growth potential, as indicated by recent foreign investment interest.

Both South African and Israeli entrepreneurs have invested over the last two years in horticulture projects for export. U.S. investor interest was exhibited by business development survey trips this year to the Ivory Coast by Dole and DelMonte. Continued preferential access to European markets after 1992 is an often mentioned rationale for investor interest in the Ivory Coast as a export production base.

Constraints to developing a competitively priced horticulture product for the EC market are current high shipping and production costs. A prospective U.S. investor would have to assess and address these constraints carefully in studying the viability of an investment in the Ivory Coast.

c. Coconut Production and Processing for Export

It was reported that a government owned and managed coconut production estate and dried coconut processing facility were no longer economically viable and on the verge of being closed down.

This same enterprise was described by the 1985 ASACI Profile Team as a potential candidate for acquisition by private sector investment. In fact, ASACI project marketing gained the interest of a U.S. food company which initiated contact to explore such an acquisition. However, the exploration and interest of the U.S. company ended when the Government of the Ivory Coast priced this asset at a level far beyond its earning capability under international market conditions.

It was learned that the International Finance Corporation (IFC) was in process of assessing the earning capability of this asset, that is, on the basis of its ability to generate cash flow rather than on physical asset valuation. The IFC would welcome contact from U.S. food companies wishing to explore acquisition of the government owned enterprise. Contact information for IFC can be found in Appendix A.

The ASACI team learned that the Ivorian Government is serious in its intent to divest itself and privatize its agriculture and agro-industry enterprises. Currently on the table is an offer from an Italian company to acquire the government owned tomato paste enterprise.

Further information on privatization opportunities might be verified through contact with the IFC or the U.S. Foreign Commercial Service, U.S. Embassy, Abidjan. Contact information can be found in Appendix A of this report.

A P P E N D I C E S

APPENDIX A: NAMES AND ADDRESSES OF PARTIES CONTACTED IN THE IVORY COAST

U.S. Government Agencies

Mr. Richard J. Blabey Agricultural Attachee U.S. Embassy Immeuble Tropique 3 Rue Jesse Owens 01 B.P. 1712 Abidjan 01	Tel: 21-46-72 ** 32-09-79 Fax: 22-32-59
Mr. Carl W. Castelton Area Director, USDA-APHIS U.S. Embassy Rue Jesse Owens 01 B.P. 1712 Abidjan 01	Tel: 21-09-79 Fax: 22-32-59
Mr. Gene R. Harris Commercial Attachee U.S. Embassy Rue Jesse Owens 01 B.P. 1712 Abidjan 01	Tel: 21-09-79 32-46-16
Mr. Arthur Fell, AID Regional Office Director Mr. Howard R. Handler, Assistant Director Mr. Mr. Paul F. Mulligan, Chief Economist Regional Office for West Africa Agency for International Development 01 B.P. 1712 Abidjan	Tel: 41-40-55 * 01 41-45-28
Mr. Weldon Purcell (Texas Farmer) Mr. James Wood (Texas Farmer) Volunteers in Overseas Assistance Ivory Coast Young Farmers Program Yamoussoukro, Ivory Coast	

Note: In dialing telephone numbers in the Ivory Coast from the U.S., dial first 011 (international access code), then 225 (Ivory Coast country code) and then the local phone number.

Ivory Coast Government

Mr. Bernard Rochier
Director of Agriculture
Direction et Controle des Grands Travaux (DCGTX)
04 B.P. 945 Abidjan Tel: 44-28-05

Mr. Leon Kakou
Technical Expert, DCGTX Tel: 44-46-13
04 B.P. 945 Abidjan Fax: 44-56-66

Banking and Financial

Mr. David Bloomgarden
Assistant to the U.S. Director
African Development Bank
01 B.P. 1387, Abidjan Tel: 32-07-11

Mr. Andre Cracco
Regional Representative
Africa Project Development Facility Tel: 21-96-97
Immeuble CCIA, 17th Floor Fax: 32-61-51
01 B.P. 8669, Abidjan Telex: 25303

Mr. H. Leigh Durland
Investment Counselor, Private Sector
African Development Bank
01 B.P. 1387, Abidjan Tel: 32-07-11

Mr. Magatte Diop
Director General
Citibank
01 B.P. 3698, Abidjan Tel: 32-46-10

Mr. Jacques Laurent Huot
Vice President, Debt/Equity Swap Program
Citibank Tel: 32-46-10
01 B.P. 3698, Abidjan Fax: 32-76-85

Mr. Hung Dinh Nguyen
Regional Representative, West Africa
International Finance Corporation
01 B.P. 1850, Abidjan Tel: 44-32-44

Commercial and Private

Mr. Bernard Perroud
Mr. F. Fayd'herbe
FFA / Groupe HSD
Arthur Young International Affiliate
01 B.P. 2715, Abidjan — Tel: 21-11-15
32-11-15

Ms. Suzan Cioffi, Consultant
Inter Management
Deux Plateau, Abidjan — Tel: 41-51-05

Ms. Shella Kone, Consultant
S.A. Intercon
06 B.P. 1042, Abidjan — Tel: 41-37-05

Dr. H.W. Suh, General Manager
Pioneer Agrogenetique CI S.A.
01 B.P. 8081, Abidjan 01 — Tel: 35-41-40

Dr. Harouna Dosso
Director of Research
Pioneer Overseas Corporation
B.P. 1518, Yamoussoukro — Tel: 64-11-93

Mr. E.T. Hunt Talmage, III
Mr. Albert Lincoln
Ms. Vicki Assevero
Counselors at Law — Tel: 32-67-66
Duncan, Allen and Talmage — 32-67-85
01 B.P. 708, Abidjan — 32-68-05

Mr. Jean Ohana
Independent Entrepreneur operating under
America Company & Operagri Company
01 B.P. 6127, Abidjan — Tel: 32-80-32

Mr. Gerald Theus
Cereal Food Products Cote d'Ivoire
Abidjan

Mr. Blaise Yapi, President
Ivoire Aquaculture (IVAQ)
05 B.P. 410, Abidjan — Tel: 45-14-77

Mr. Jack Somers
Aqua Technologies, Ltd.
106 Representative Blvd.
Lafayette, La. 70508 — Tel: (318) 237-5175
Fax: (318) 237-4969

APPENDIX B: REFERENCE BIBLIOGRAPHY

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APPENDIX C: STATISTICS

KEY ECONOMIC INDICATORS FOR THE IVORY COAST

(In millions of current U.S. dollars unless noted)

	1986	1987	1988
Income, Production, Employment			
Population (million)	10.5	11.1	11.6
GDP	9,377.0	10,375.0	9,990.0
GDP/capita current $	876.0	835.0	903.0
GDP/capita (IBRD)	730.0	750.0	680.0
Real GDP Growth	3.4	-1.6	-6.4
Consumer Prices (%)	6.8	5.2	7.5
Central Gov. Spending as % of GDP	19.0	21.0	20.0
Production			
Coffee (000's MT)	270.0	254.0	216.0
Cocoa (000's MT)	590.0	544.0	785.0E
Cotton (000's MT exports)	79.0	71.0	83.0
Rubber (000's MT exports)	48.0	52.0	51.0
Agriculture & Petroleum GDP	-0.8	-2.0	N/A
Industry, Energy & Construction GDP	5.9	2.5	N/A
Balance of Payment			
Exports	3,802.0	2,791.9	2,150.2
Imports	1,990.9	1,644.0	1,304.8
Trade Balance	1,811.1	1,147.9	845.4
Foreign Debt (Billions $)	7.0	8.1	N/A
Debt Service (before rescheduling)	1,554.0	1,336.0	1,480.0
Debt Service Ratio	38.0	40.0	59.0
U.S. Cote d'Ivoire Trade*			
Exports to (FAS)	59.6	83.0	75.1
Imports to (CIF)	453.6	404.0	313.4
U.S. Exports as % of total	2.3	3.0	3.5
U.S. Imports as % of total	12.3	11.8	13.1
Ave. CFA/$Exchange Rate*	346.0	301.0	298.0

E = Estimate
N/A = Not available
* = IBRD estimate from World Development Report

Source: Foreign Economic Trends and Their Implications for the U.S. Department of Commerce, September 1989

AGRICULTURAL PRODUCTION IN THE IVORY COAST

COMMODITIES	AREA HARVESTED (000 HA)			PRODUCTION (000 MT)		
	1987	1988	1989	1987	1988	1989
Paddy Rice	495	517	542	593	620	650
Corn	600	675	702	450	540	570
Millet	70	75	80	42	45	48
Sorghum	38	40	43	23	24	26
Fonio	14	14	15	8	8	10
Cassava	234	236	240	1,285	1,300	1,320
Yams	237	146	252	2,370	2,420	2,470
Cocoa	204	206	209	265	268	272
Plantain	858	875	900	1,030	1,050	1,080
Banana	N/A	N/A	N/A	135	130	126
Pineapple	6	6	6	271	255	128
Peanuts (in shell)	125	136	142	120	130	137
Palm Fruits	91	91	94	1,102	982	978
Palm Oil	N/A	N/A	N/A	227	198	195
Palm Kernel	N/A	N/A	N/A	50	43	42
Copra	34	34	33	46	48	48
Coconut Oil	N/A	N/A	N/A	30	30	31
Shea Nut	N/A	N/A	N/A	18	22	25
Kola Nut	N/A	N/A	N/A	58	64	70

Oct - Sept	86/87	87/88	88/89	86/87	87/88	88/89
Tobacco	0.5	0.6	0.6	0.4	0.5	0.5
Cotton	159.0	180.0	213.0	214.0	256.0	300.0
Coffee	1,160.0	1,175.0	1,200.0	267.0	187.0	265.0
Cocoa	1,100.0	1,150.0	1,190.0	610.0	652.0	680.0
Rubber	39.0	42.0	45.0	52.0	57.0	61.0
Sugar	N/A	N/A	N/A	145.0	140.0	154.0

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5. Fraternit Marin
6. Statistique du commerce Extrieur de la Cote d'Ivoire
7. Finance Africaines

APPENDIX D: ASAC INTERNATIONAL TEAM MEMBERS

Konrad Biedermann Ph.D.

Dr. Biedermann is the President of Konnex Consulting, Ossining, New York. The firm specializes in technical-economic evaluations, investment feasibility studies, and strategic planning services for agribusiness firms.

Prior to forming his own company, Dr. Biederman worked for 21 years with Continental Grain Company. As Vice President of Planning for his last three years with Continental, he was responsible for strategic planing, investment analysis and captial budgeting for the World Grain and Oilseed Processing Group worldwide.

Before joining Continental, Dr. Biedermann worked seven years with Battelle Institute where, as Senior Research Economist, he was responsible for project development and execution, sponsoring relationships, and reporting on contract research projects for industry and government agencies for the Food Economics Division.

Dr. Biedermann has his Ph.D. degree in Agricultural Economics, Marketing and Quantitative Analysis from Ohio State University where also he obtained his M.S. in Agricultural Marketing and B.S. in Agricultural Economics. Dr. Biedermann is a member of several professional associations, among them: the International Society for Planning and Strategic Management and the American Agricultural Economics Association. He is a certified member of the American Society of Agricultural Consultants. He is fluent in German and has a reading knowledge of French and Spanish.

Michael W. Hurley

For the last five years Mr. Hurley has worked with The American Society of Agricultural Consultants International (ASACI), McLean, Virginia, first as the Director of International Agribusiness Teams and currently as the ASACI Vice President for International Agribusiness Projects. With ASACI Executive Office supervision, he promotes and manages the ASACI Integrated International Agribusiness Development Program.

With ASACI, Mr. Hurley has worked with U.S. government agencies, foreign government ministries, U.S. and foreign agribusinesses and ASACI consultants to identify, profile and facilitate joint U.S.-foreign agribusiness ventures in more than a dozen countries in Asia, the Middle East, Africa and Latin America.

Mr. Hurley's prior experience includes nine years of overseas work in Latin America as sales engineer, construction contract administrator and regional office manager for a U.S. manufacturer of grain storage, processing and handling equipment. Before entering the business world, Mr. Hurley taught Spanish for seven years at the university and secondary school levels.

Mr. Hurley has a Master's degree in Spanish with a concentration in Latin American Studies, St. Louis University. He is completely fluent in Spanish and has a working knowledge of French. He is a member of the Washington-D.C. based Food Group.

APPENDIX E: MAP OF THE IVORY COAST