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Agricultural Marketing in Niger: Current Situation, Constraints, and Possible AEPRP Program Components

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INTRODUCTION

Background to Assignment

The purpose of this work is to provide assistance to the AID Mission in Niger in assessing opportunities to formulate program assistance to the Government of the Republic of Niger (GON) in the areas of domestic agricultural marketing and agricultural export promotion. This program assistance would be part of the USAID African Economic Policy Reform Program (AEPRP) which combines flexible program funding with specific, negotiated economic policy reform measures. This paper is to serve as one of a number of background documents to be used in the preparation of the AEPRP Program Assistance Initial Proposal (PAIP).

The marketing and trade of agricultural products was chosen as the domain for program action since:

- Agriculture is the dominant economic sector in Niger, contributing well over 50 percent of GDP and providing full or part time employment for 85 to 90 percent of its population;

- Actions in agricultural marketing and trade will be complementary to current AID assistance in agricultural research, input supply, and general program support to the agricultural sector under the Agricultural Sector Development Grant (ASDG);

- Such program support is consistent with current GON development strategy which emphasizes increasing per capita revenue through the promotion of agricultural and rural product domestic trade and exports; and

- It is also consistent with GON efforts to revive its economy through economic policy reform stressing reduced state involvement in the economy and a variety of measures designed to favor greater private sector involvement.

This report contains information gathered during a month long consultancy in Niger (mid-June to mid-July 1987). It is also the product of meetings with government personnel in Niger and Nigeria, AID staff and contractors, other donor representatives, and participants in private sector agricultural trade (list of persons interviewed contained in Annex C). Many of the ideas expressed here are a product of interactions with the AID AEPRP Program Committee chaired by General Development Officer Michael Kerst, and with fellow members of a mixed AID/GON field study team which made a 10 day trip across Southern Niger and Northern Nigeria. For further detail on particular subjects, consult the extensive literature on Niger, some of which is cited in Annex B.

Economic Policy Reform in Niger

Economic policy reform in Niger, as in many other African countries, has been a phenomenon of the 1980s. In Niger this was due primarily to a pressing need to reduce GON expenditures following a sharp drop in uranium revenues beginning in

1981. This was reinforced by the requirements of dealing with a severe drought in 1984 and from pressure for policy reform and economic restructuring applied primarily by the International Monetary Fund, the World Bank, and USAID.

Since 1983 the GON has negotiated three stand-by agreements with the IMF which have involved severe budget restraint, efforts at improving tax collection and administration, restrictive monetary policy, and import reductions which have helped to stabilize the country's balance of payment situation and have provided a good measure of economic and financial stability.[1]

Once the immediate budgetary situation was stabilized, attention could be turned to a serious examination of measures to help the GON live more within its means and hopefully promote more viable and self-sustained economic growth through greater encouragement of private sector participation in a liberalized economy.

Associated with the need to reduce both budget deficits and inefficient, direct government participation in the economy, the following measures have been taken which have substantial implications for agricultural marketing and trade in Niger:

- A large number of state enterprises have been privatized or have had their operational mandates sharply reduced;
- Price controls on most agricultural and non-agricultural products have been reduced; and
- Most import monopolies have been eliminated.

In the agricultural policy arena, there have been a number of major structural adjustment and policy reform grants to the GON which have also had wide impact. Among the most important programs have been AID's Agricultural Sector Development Grant (ASDG) and the World Bank's Structural Adjustment Program (SAP) and the very recent Public Sector Adjustment Program (PSAP).[2] These programs have resulted in major liberalization in:

- Input supply pricing and marketing with substantial progress made in reducing GON subsidies on a wide range of agricultural inputs;
- State marketing: monopolies for agricultural products and attempts to impose panterritorial official buying and selling prices largely have been eliminated;
- Some simplification and decentralization of administrative procedures to control cross border trade in agricultural and other products;

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[1] The general economic situation in Niger and the background to policy reform is very well summarized in the AID Country Development Strategy Statement (CDSS), February 1986 (including Annex A on the Macroeconomic Situation) and in the recent World Bank materials on structural adjustment cited below.

[2] See USAID, 1984, and World Bank, 1986, and 1987 for more detail on these important programs.

- Production credit to farmers. Activities of the CNCA have been suspended to stop massive financial losses. A new more tightly controlled, limited rural credit facility is clearly needed; and

- Promotion of practical institutional development of cooperative participation in a variety of business and marketing activities.

It is a bit startling for someone who last visited Niger in the late 1970s to see major national agricultural institutions either totally reorganized and decentralized (eg., UNCC), bankrupt (eg., CNCA), or with sharply reduced mandates (eg., OPVN). It is easy to understand why at least certain groups within the GON bureaucracy are not completely enthusiastic about the overall reform program which has, in some cases, been associated with substantial unemployment, a reduction in benefits to some urban workers, and with a general recession in modern sector business activity. These are some of the same reactions which have made it hard to stick to the path of reform in other African states. Fortunately in Niger there does seem to be a widespread belief that there were really no viable alternative paths for the country to take. Further measures which may help to improve the situation by stimulating private trade activity will be explored in the sections which follow.

As part of an overall approach to economic reform, the GON has decided to place increasing emphasis on private sector approaches to economic rehabilitation. This was explicitly spelled out in August 1986, in the government's *Programme Significatif de Relance* (PSR) and further spelled out in the 1987-1991 five year plan. Special programs to begin to apply the principles in the PSR were recently detailed in the Ministry of Plan's *Programme d'Appui aux Iniatives Privés et à la Creation d'Emplois* (PAIPCE) which appeared in 1987 and will be a major point of reference for this proposed AEPRP program.

AGRICULTURAL MARKETING IN NIGER: SITUATION SUMMARY

It is useful in beginning to assess constraints on agricultural marketing in Niger, to briefly define the approach that will be used to address the problem and the scope of the inquiry which will follow.

Need for a Commodity Subsector Approach

The approach which will be followed here will be to briefly review each commodity subsector, from production through private or state market channels to the consumer, in domestic or international export markets. The purpose is to have a logical framework to organize information which will help to define opportunities and constraints as they affect specific crop or livestock industries. This also allows for a systematic comparison across commodities which can reveal the commonality of constraints and opportunities.

Thus, in this section each major commodity subsector will be briefly reviewed in terms of notable recent occurrences or opportunities for reform/program support with respect to:

- Domestic Production and Trade;
- Cross Border Trade;
- Regulatory and Fiscal Situation; and
- Processing Situation.

This is a simple but useful approach which can also be used in a more detailed study of specific commodities. In recent years there has been substantial research in the development of field research methods which permit a rapid diagnostic study of a specific subsector, its structure (number and function of key intermediaries in the marketing channel, for example) and the performance of the marketing channel in terms of its efficiency, employment impacts and other socio-economic performance measures. In a sense, this approach attempts to do in market studies what the "rapid reconnaissance survey" does to identify problems and constraints in a farming systems research approach to farm production problems.[3]

Definitions

Niger's agricultural sector -- including both crop and livestock production and marketing -- can be divided into a number of subsectors. In practice, defining the boundaries of a subsector can be a bit arbitrary but for our purposes here we will confine ourselves to the following subsectors:

- Coarse grains (miliet, sorghum and maize) and cereals (wheat and rice);
- Legumes (groundnuts, cowpeas, voandzou);
- Fibers (cotton);
- Vegetables and tubers (particularly onions, garlic and potatoes);
- Tree fruit and gathered products;
- Cattle;
- Small ruminants; and
- Poultry.

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[3] This approach to rapid market diagnosis is described in a recent working paper (1986) by Dr. John Holtzman of the Department of Agricultural Economics at Michigan State University (see bibliography). A copy of this paper and ideas on how such studies might be developed as part of the development of the Niger AEPRP will be provided to AID/Niamey as an addendum to this paper.

Two additional points need to be made. One, it is clear that our examination of these subsectors will have to be brief given time and length of report constraints. It is hoped, however, that this abbreviated view of the situations in different subsectors will stimulate more detailed investigations and analyses. Second, it should be stressed that the subsectors, as defined here, include the basic agricultural product and any transformed or processed products as well (eg., wheat flour, leather, etc.).

Tables 1 through 4 on the following pages present an abbreviated overview of key factors in these subsectors with respect to domestic production and trade, export and import trade, processing and transformation, and import points to note concerning the regulatory and fiscal policy environment. No attempt has been made to be comprehensive; the information presented is illustrative and meant to stimulate further investigation and cross-subsector comparison.

Subsector Situation Summaries

Coarse Grains and Cereals (Table 1)

Millet is by far Niger's most important crop. In 1986/87 it made up fully 75% of the total estimated production of approximately 1.8 million tons of cereals. Sorghum (20%) and irrigated rice (4%) make up most of the rest of total production.

As has been mentioned above, the GON's efforts to control millet marketing through the actions of OPVN have been seen to be costly failures.[4] Major reforms have occurred which have ended OPVN's marketing monopoly and its attempts to stabilize market prices, fixed buying and consumer prices have been abolished, and OPVN has been left with an appropriate residual role of managing a security stock (which is not to exceed 80,000 tons and for which 80% of the grain is to be purchased through a competitive tender and bidding process.)

There are probably few opportunities to improve on the efficiency of the traditional grain trade. The fact that the majority of consumers are also producers of the crop and that the key determinant of production is rainfall means that markets are fairly thin and easily saturated. There tend to be large seasonal price movements for what surplus is marketed and, in general, a situation exists in which it is very difficult for either the state or cooperative organizations to effectively play a stabilization role in cereals markets over the longer run.

It should be emphasized that large quantities of cereals move across the Niger/Nigeria border, in most years moving into Niger. Arnould (1983) describes this trade in some detail and this team was informed that, in April and May of 1987, 8,315 tons of cereals moved officially into Niger across the Birni N'Konni border post alone. Further, in Nigeria, we were informed by the Consul of Niger in Kano, that he had been approached by the State of Bauchi in February 1987, with an offer to enter

[4] For a very detailed study of this subsector, see William Scott et al., "Joint Program Assessment of Grain Marketing in Niger," 1983.

COMMODITY SUB-SECTOR SITUATION: SUMMARY TABLE 1:
COARSE GRAINS & OTHER CEREALS

Commodity	Domestic Production and Trade	Export/Import Trade	Processing/ Transformation	Regulatory/Fiscal Situation
Millet (Sorghum, Maize)	Production 1984: Drought year 1985 & 1986: High, up to 1.4 million tons 1987: Season off to poor start State Mktg: OPVN - Substantial reduction in activities - Reform of pricing	Current: Large imports or sorghum/millet from Nigeria, from 1980 130,000-260,000 tons of coarse grains per year. This equal to 9-18% production or about 50% of marketed surplus	Milling of millet complicated; SOTRAMIL has failed to produce millet flour at acceptable price. Better technology from Nigeria?	Just statistical tax on exports; Need special authorization for exports
Rice	Production Levels: 4% of total cereal production Estimated break-even price (1987): 75 F/kg paddy	Great quantities of Thai rice moving in transit to Nigeria (imported illegally) --- Imports=70% of consumption; Price in Niger imported rice is much lower than RINI price	Rice milling situation: Being studied under Bank PSAP program	Import taxes: 10% Jan. 87 = Special tax of 20,000 imposed; Benefits to CNCPP (compensation fund)
Wheat	Production: 10% of consumption	Imported flour at 135,000 CFA/ton to Maradi via Nigeria	Moulin de Sahel (World Bank Support): High break-even compared to imported flour	Import taxes: 3% for hard wheat 3.5% for soft wheat 12% for wheat flour

COMMODITY SUB-SECTOR SITUATION: SUMMARY TABLE 2:
PEANUT, COWPEAS, COTTON

Commodity	Domestic Production and Trade	Export/Import Trade	Processing/ Transformation	Regulatory/Fiscal Situation
Peanuts	Tremendous decline in acreage, 1970-1985: 358,000 to 30,000 Has Slight increase in production in 1985/86; SONARA bought 52,000 Tons 1986	Perfect illustration of of influence of policy on cross-border trade (history of price supports and state marketing on on both sides of border)	Oil processing companies: SICONIGER has stiff competition with vegetable oil from Ivory Coast, and from locally processed oil. SHN: out of business	Export Tax: 20 CFA/kg
Cowpeas	In 1960 similar production to peanuts; in 1985 4 times greater acreage. Official state monopoly ended in 1986	<u>Exports</u>: averaged 135,000 T from 1978-1983; part by SONARA (monopoly) 2nd most Important Ag. Export to Nigeria. SONARA Exports: 1985-86: 35,000 Tons 1986-87: 48,000 Tons	<u>Storage</u>: a problem but mass storage and chemical treatment is viable	Export Tax: approx. 2000 CFA/ 100 Kg sack) Current: 48,000 tons from 1986 waiting for export
Voandzu	Smaller production	Some exports	Similar to cowpeas	
Cotton Fiber	Production: low and variable Niger: Last West African state (?) not to change arrangement W/CFDT; accords lapsed in 1976	Most product goes to SONITEXTIL for spinning and cloth production	SONITEXTIL: product is good quality; sold widely in Nigeria with help of P.S.	One of last areas of fixed prices, totally regulated industry

COMMODITY SUB-SECTOR SITUATION: TABLE 3:
VEGETABLES, TUBERS, TREE, FRUIT & OTHER

Commodity	Domestic Production and Trade	Export/Import Trade	Processing/ Transformation	Regulatory/Fiscal Situation
Onions	Domestic Production: risen to 185,000 tons in '85 Varieties: Violet de Galmi Blanc de Salamba (high value under irrigation)	Major mkts: Ivory Coast, Togo, Benin, Nigeria Market development possible -- great need for information	Drying: possible outlet for surplus Storage: Improved methods needed	Export Tax: 20 CFA/kg (Substantial impact when competition tight).
High-value vegetables	Mostly green-beans; much room for research	Very competitive markets	Grading, packing, quantities, transport all critical	20 CFA/kg green beans
Potatoes	Seed imported, limited production, could be expanded	Substantial market for exports if infrastructure improved	Private sector cold storage project on hold	Export Tax: ?
Garlic	Traditional production in Air	Potential for export?	Sizing, grades	
Tomatoes, Peppers	Various locations along border	Substantial shipment of dried tomatoes to Nigeria	Tomato paste plant feasibility study available	
Tree Fruit: Mango Guava Tamarin		Severe competition from Nigeria, Ivory Coast production	CONCONIGER: Closed for 6 years; did produce fruit juice, tomato souce	?
Cyprus ("souchet")	Negative effects on soil fertility	Strong demand in Nigeria		
Arabic Gum				14.33% on value

COMMODITY SUB-SECTOR SITUATION: TABLE 4: LIVESTOCK

Commodity	Domestic Production and Trade	Export/Import Trade	Processing/ Transformation	Regulatory/Fiscal Situation
Cattle	Estimated herd capacity: 1983 herd levels. Limited domestic meat market	Traditionally strong North-South export trade. In 1987 weak Naira has slowed trade; some-calves and young work animals imported from Nigeria	Frozen/chilled meat: only limited possibilities. Hides: modern processing Dairy. *Great opportunities in "embouche" programs: cattle + small ruminants	Export/Ban Quotas to be lifted by early 1988; Tax: 5,600 CFA/head
Small Ruminants	Increased domestic demand; seasonality due to Moslem holidays	<u>Exports</u>: Traditionally Nigeria Some exploration of new markets: Saudia Arabia and Algeria. However, probably difficult to compete with Sudan and Pakistan	<u>Leather</u>: Great international demand for raw skins or semi-tanned leather; goat preferred; industry needs help (see text) <u>Sheep</u>: limited tanning; many skins go to prayer rugs	Export Tax: Sheep: 1000 CFA/Head Goats: 600 CFA/Head Reduced from 9.5% to 3% (?) on raw skins
Poultry	No modern broiler or egg industry; high temperature, high feed cost to blame?	Imported chicks		
Feed Industry	Peanut, bean, grass hay; grain stalks	Potential imports from Nigeria	Modern feed mill is in use	

* To be explored by Land O'Lakes Study Team.

into an agreement with the GON or with private Nigerien traders to exchange 50,000 tons of surplus grain for cattle or meat from Niger under terms to be negotiated. As of yet there has been no official reply from the GON. This indicates that there is substantial room for Nigeria to help meet cereals shortages in Niger under some circumstances, including some which might help in the orderly promotion of the Niger livestock industry.

In the area of grain processing the experience of SOTRAMIL (a privatized milling company in Zinder whose main business lines currently are making noodles and cookies from imported wheat flour) is illuminating. The company attempted a number of years ago to put a ready-to-use millet flour on the market. Millet milling, in contrast to sorghum and corn, normally requires bran removal and soaking to remove strong offensive tastes. These two steps were done in a labor-intensive manner at SOTRAMIL (similar to small scale processing done by millions of Nigerien households) which perhaps doubled the breakeven price of the milled product.

The production manager of the mill estimated that using this technology the company would have to sell its millet flour at perhaps 120 FCFA a kilo to operate that product line in the black. In contrast, household processing of millet using small electric mills in Zinder (and buying millet at 40 FCFA a kilo) will have cash costs of 50 to 60 FCFA to produce a similar product, not counting the value of household labor.[5] It seems logical to assume that convenience milling of millet, sorghum from Niger and Nigeria, and maize from Nigeria, would be a technological growth area in urbanizing Niger. This is an area for applied food technology research focusing on scale of technology and consumer preferences and tastes (possible sources of initial help: Kansas State University and the University of Minnesota which both have some cereals food technology experience in francophone Africa.)

It is beyond the scope of this paper to look into the production, processing and marketing of rice and wheat. This should be done in the proposed subsector study. For rice it should simply be noted that total rice production is fairly small. Domestic production makes up a small portion of total Nigerien consumption at farm gate breakeven prices which are far above the costs of imported rice under current world prices (which reflect exchange rates for the US dollar, government subsidies in most producing regions, possible dumping etc.). RINI (Riz du Niger, the GON rice purchasing, milling and marketing agency) is one of the targets of the World Bank's new PSAP program and is faced with very difficult policy tradeoffs between operational efficiency and attempts to promote rice production and food self-sufficiency.

Wheat production is very small and also faces similar problems of high production costs and tremendous competition from imported wheat flour. The ultimate question is whether and under what conditions it makes sense for the GON to promote and protect (through tariffs, etc.) either of these two infant agricultural industries. In terms of their use of costly irrigated land in Niger, it would seem more economically viable to consider producing high value crops for regional export

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[5] A tiny company in Kano, Nigeria, Jolly Brothers Mills, is supposed to have solved some of the technological problems of producing an acceptable millet flour at low cost. This is an area for potential future investigation in the context of a more detailed study of the cereals subsector.

(eg., onions and potatoes) or European export (eg., green beans, other high value winter crops) on irrigated land and use a portion of earnings to import the relatively small quantities demanded of cheap foreign wheat and rice.

The export markets mentioned above are very competitive and difficult to penetrate but Niger should be able to compete in some of them if it can promote the creation of private sector agribusiness companies with the flexibility to switch production rapidly among competing crops in response to market changes and with the capacity to employ aggressive marketing. In this regard there is very large scope for the public sector to play a supportive role in research and extension. It is of interest to note that INRAN has no one working in horticultural crops at the current time.[6]

Legumes (Table 2)

The most important point to note in terms of domestic production is the remarkable decline in peanut production and increase in cowpea production which has occurred over the past twenty years. In 1967, the year France withdrew its price support program for peanuts, it was estimated that the two crops were approximately equal in acreage planted. Since that time, peanut acreage has contracted to less than one tenth of what it was and cowpea acreage has increased by a factor of four. Peanut output was virtually eliminated by the ending of the price support program, by the early 1970s, and by severe plant disease problems.

What has occurred has been the replacement of an industrial cash crop marketed to Europe by a food cash crop marketed largely to neighboring Nigeria. The market in Nigeria is concentrated primarily in the southern part of the country and there is competition from varieties of cowpeas produced in Northern Nigeria. It is estimated that exports to Nigeria in recent years have averaged 135,000 tons with SONARA only exporting a minority share even when it had an official monopoly. SONARA has bought and continues to buy from traders and cooperatives which are supposed to buy from farmers at or above the indicative official floor price.

Storage for cowpeas is a major problem with rapid infestation by boring insects. Large quantities held by SONARA are treated reasonably effectively with phostoxin, using fumigation techniques similar to those used in grain storage.

In the 1986-87 production/marketing year, a high floor price offered by SONARA for peanuts produced an upsurge in purchasing resulting in 52,000 tons currently in storage. Part of this quantity came across the border from Nigeria as a result of the favorable Niger price, in a situation reminiscent of the early 1960s. The GON's effort to promote peanut production is apparently largely aimed at providing raw product for Niger's three oil mills, SICONIGER in Maradi (privatized and still marginally functional) and two smaller mills which have not operated for several years.

The basic dilemma in the processed oil industry in Niger is represented by the following approximate price situation:

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[6] See the Jouve and Versel reports for more detail and ideas on this topic.

DINOR palm oil imported from the Ivory Coast	300 FCFA/Liter
"Artisanal" Peanut Oil (low oil extraction rate)	400 FCFA/Liter
Oil from the SICONIGER mill	500 FCFA/Liter

The reasons for the factory processed oil being more expensive than the small scale home processed oil, particularly given the higher extraction rate and presumed economies of scale in industrial processing, are not known. Whether there is some chance for revitalizing this industry remains to be seen and should be investigated in the proposed subsector study.

Cotton (Table 2)

This subsector was not examined in this study but a few summary observations, derived from other documents, can be made. Cotton, in West Africa, has always been produced in a highly controlled production and marketing environment. Traditionally, the CFDT has had this monopoly position in the francophone states. In all the other states where cotton is still an important crop, the CFDT structure has been replaced with mixed companies (with state, CFDT, and sometimes other private participation). In Niger this has not occurred. The CFDT in Niger continues to operate through informal agreements since the formal agreement with the GON expired in 1976.

This is one of the last areas in which the production and marketing portions of a subsector are still tightly controlled. Most of the product is channeled into the SONITEXTIL cloth factory which produces high quality cloth which is widely sold in Niger and Nigeria. The "informal sector" trade is apparently quite instrumental in channeling SONITEXTIL products into Nigeria, providing an excellent example of potential collaboration between these two economic forces (this apparently occurs in the export of industrial perfume from Niger as well).

Vegetables and Tubers (Table 3)

There are two areas of interest in this subsector: production and marketing for sale in domestic markets and those in neighboring countries; and more vertically integrated operations focused on potential markets in Europe.

Table 3 highlights some of the those crops which are in the first category: primarily marketed in domestic and regional markets. Onion production and marketing, largely dominated by Hausa merchants in ways similar to the control of cattle trade to coastal Nigerian markets (described by Polly Hill and Abner Cohn in "classic" market channel studies). The main market has been the Ivory Coast with smaller markets in the Benin, Togo and Nigeria. Nigeria must be a smaller market due to competition from domestic Nigerian production.[7]

[7] See Smith (1986) for a good description of this trade, some of the costs involved, and aspects of onion agronomy and storage.

The onion industry may be one in which the export tax of 20 CFA/kg, to be discussed in the next section in more detail, is the most harmful to the development of the industry since competition from other producing countries in the region has tightened and much of the export production passes over Niger's borders legally.

Potatoes are a crop with similar production and marketing problems and opportunities. The domestic market is very thin and gluts are a major problem which spurs on the search for regional outlets, particularly in coastal countries. The big problems are cold storage, market price fluctuations, and an adequate marketing chain. Seed potatoes are imported primarily from Holland and this has presented an opportunity to develop a domestic seed industry primarily through the use of cold storage.[8]

There is a substantial market in dried tomatoes in Nigeria which is partially supplied by Niger production. Drying may be a means of dealing with dispersed surplus production of a variety of crops but particularly onions, tomatoes and sweet peppers should be further investigated.

The second major market opportunity lies in the areas of high value, winter season vegetable crops for the European market. There is some fairly minor exportation of green beans to France from Niger (statistics in Jouve, 1986) but at levels far below those from Burkina, Mali and Senegal. The varieties of beans which bring the best prices in the European market are "extra fine" and "fine" and West African production fits into a narrow window between production from southern Europe and North Africa.

European markets are extremely competitive and it will not be easy to penetrate them. It may only be possible through a high degree of vertical integration between production and marketing (this can be done within private companies or by linking private marketing companies with production cooperatives such as the very successful *Lac Bam* green bean production cooperative in Burkina Faso), very good market information and analysis, a substantial investment in adaptive horticultural research in Niger, and efforts to liberalize air transport and reduce air freight rates into European markets. This definitely a high risk, high potential area which should be carefully studied in a liberalized environment. It may also be that the preferential trade relationships between the EEC and the CAP countries (Niger is a signatory) would also provide other development opportunities.

Tree Fruit and Gathered Products (Table 3)

Opportunities for commercial exploitation of tree fruit are probably fairly limited given the ecology of Niger but there is production of mango, guava, and tamarind, all of which were canned (juice) by the CONCONIGER company in Maradi, which ceased operations approximately six years ago. The causes for this business failure and the potential of the industry should be investigated.

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[8] See Murdoch, 1986, for more details. An american private sector project for launching such an enterprise is apparently on hold at the moment.

One of the most significant gathered products is gum arabic about which this author is woefully ignorant. The market in Europe is largely supplied by East African production but when there are shortages from Sudan and Ethiopia (?) the demand for the West African product increases, much of which is apparently supplied from Northern Nigeria, Cameroon, and Chad.

Livestock (Table 4)

The topic of livestock marketing is vast, complex, and deserves a more thorough coverage than can be given here. Table 4 provides some rather summary indications of directions for the next stage investigation.

First, efforts to improve productivity in livestock marketing should be aimed in two broad directions: at those changes or interventions which will have a wide impact on the subsector as a whole and those actions which will affect very specific industries. In "wide impact" category are the following:

- If the GON were to pursue a subsector promotion strategy in partnership with market channel participants it would be possible to eliminate most administrative and fiscal regulation of the industry (which is largely ineffective anyway) and look for areas where increases in market efficiency could potentially improve the situation for Nigerien producers and marketers. One such area to pursue would be to explore the consequences of allowing Nigerian trucks relatively free passage into Niger livestock markets. This would mean that there would be fewer barriers to livestock exports (no licenses or export taxes), just routine health control which would be covered by direct user fee payments. This would reduce the cost of livestock marketing into Nigeria, assuming the Naira is strong enough to allow Niger's comparative advantage to operate. The key questions are who would benefit from these reduced costs: Nigerien producers and traders or traders from Nigeria. The answer would depend on market supply/demand circumstances on both sides of the border and relative power in the market transactions;[9]

- A freer movement of transport might also lower the costs of certain types of crop feedstuffs in Niger which can be used in supplementary feeding; and

- One of the most critical inputs to a more efficient and profitable livestock trade is the widespread diffusion of market information on quantities and prices in both Niger and Nigeria livestock markets. Efforts at setting up such an information system under the AID Integrated Livestock Project are to be strongly supported.

There are a number of efforts in livestock marketing which do not seem to have been terribly successful. One is the construction of refrigerated storage capacity around the country. Part of the idea is to slaughter animals in Niger to gain the value added which otherwise is lost to Nigeria. This does not seem to be

[9] Recent data on the dimensions of the livestock slaughter and the number of hides and shins processed in Sokoto State in Nigeria (the number two livestock state in the country) are given in ANNEX A to this report.

working at all, partly because the weak Naira has slowed livestock imports from Niger to a trickle but, more fundamentally, because the refrigerated meat trade is not working in Nigeria either. Unless Niger can set up means of supplying a specialized part of the Nigerian market with high quality chilled meat, more widespread use of refrigerated storage in Niger does not make sense if existing facilities in Nigeria are being vastly underutilized.

An additional constraint which must be faced in the livestock subsector is dealing with fixed cost investment and the establishment of permanent marketing channels when production and demand is highly episodic due to erratic production conditions, peaks in demand due to variety of religious holidays which greatly increase demand, etc.

There are a number of actions which can be taken in the second category, those which have more focused and limited impact. They include:

- An examination of the costs and returns and existing structure of private sector animal maintenance or fattening ("embouche") schemes, including some innovative approaches being taken in the Niamey area by a number of groups including the AID funded PPN project;

- Examining the costs and returns to traditional crop by-products for forage and the possibilities for more direct commercial forage production, conservation and use in high return livestock feeding situations;

- Analysis of the leather industry in Niger. It is a source of considerable income, particularly from the export to Europe of goat skins prized for making handbags and shoes. There is a very interesting competition between the demand for unprocessed skins (often sent out by air) and the demand from the local SONITAN tannery for skins to be transformed into "wet blue" tanned leather to go into the export markets with a substantial value added; and

- Investigate a variety of other specialized production/marketing opportunities which need further study such as the small modern dairy industry (to be explored by a team from Land O' Lakes), the development of more modern broiler and egg industries, and the development of specialty livestock exports (such as the possibility of air shipping goats and sheep to the gulf states during peak demand periods at religious holidays).

These possibilities, along with a more comprehensive description of the structure and performance of various marketing channels and the opportunities for building truly collaborative relationships between the industry and the GON should be explored in the high priority "rapid reconnaissance" study of this subsector suggested in the final pages of this report.

SUMMARY OF CONSTRAINTS AND AREAS OF OPPORTUNITY

The purpose of possible AEPRP assistance to Niger is to promote an increase in income, in both rural and urban areas, through freer and better developed domestic and international trade, primarily in agricultural products, and primarily using private sector marketing channels.

In pursuing this objective the program must be based on a variety of shared understandings or assumptions about the basic workings of Niger's economy and a careful analysis of the physical, geographical, cultural, and governmental constraints which help to define the limits to agricultural production and trade. It should also be noted that these same factors also help to define areas of potential opportunity for Niger's agricultural and commercial economy.

Most of the factors which will be addressed here are well known to those familiar with Niger and similar Sahelian countries and they are described in more detail in other documents.[10] Here focus will be given primarily to those constraints which directly limit trade in agricultural products and which are amenable to change through policy reform or institutional development activities which could be part of the AEPRP program.

Constraints Which Define the Nature, Dimensions and Limits to Agricultural Trade but are Subject to Limited Modification

Sparse Rainfall and a Harsh Production Environment

By far the most dominant variable explaining the availability of agricultural products to trade is the low level and erratic frequency of rainfall in Niger. Only the southern most fringe of the country can support precarious crop production at rainfall levels above 200 to 300 mm or so on the average. At lower levels land use has been largely used for extensive livestock grazing. At these levels of rainfall, the timing of rains can be very critical, both in their initial onset and in their spacing over the growing season. While it is true that there must be other inputs into the production process, the sparsity of rainfall is by far the most dominant constraint on the production system. Linked with low rainfall are poor soil conditions, very high rates of evapotranspiration, and other factors which make Niger, and other similar parts of Sahelian Africa, one of the world's harshest production environments.

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[10] See the USAID Country Development Strategy Statement, Niamey, 1986, for example for a general statement of some of these constraints. In addition see the AID *Social and Institutional Profile of Niger* (Horowitz et al.), the SEDES analysis of the Agriculture Sector (June 1987), the Ministry of Commerce report on agricultural marketing and price policy (April 1987), and recent World Bank documents on the current Structural Adjustment Program (1986, 1987), for additional detailed views of numerous constraints which tightly limit Niger's economic options.

Attempts to deal with low rainfall have evolved over time in farmers' choice of crops and cultivation practices. In recent times, increased state-sponsored research efforts have attempted to find crop technologies which are more resistent to low rainfall and which reduce production risk. While some progress has been made, rather strict barriers to production possibilities remain. In such an environment, there are three main areas of production opportunity in Nigerien agriculture:

- Making marginal changes in low-input dryland production technologies which will help assure greater production at lower risk under low rainfall conditions;

- Increasing the efficiency and economic productivity of extensive livestock production either through support to traditional herder production strategies or through rather radical restructuring of access to water and pasture; and

- Increasing the economic returns to investment in both large and small scale irrigated crop production. To date irrigation, particularly on a larger scale, has been terribly uneconomic, with major problems in infrastructure maintenance, agronomy and the insufficient economic value of output.[11]

These opportunities overlap with the major commodity subsector areas described in the section above and the types of marketing development possibilities that can be foreseen in the future. From this we see that the program strategy should try and support actions which lie along a continuum between marginal changes in the production and marketing of products which will affect a large part of the population (such as the development of a higher yielding cowpea variety) to non-marginal changes in specialized production/marketing actions (such as irrigated production of high value vegetable crops and their marketing to Europe) which could potentially produce dramatic income changes for relatively small numbers of producers and other market channel participants.

Highly constrained production possibilities -- coupled with limited per capita revenues from non-agricultural primary and secondary production activities -- result in a dispersed population with very small purchasing power which clearly limits the potential growth of other business opportunities.

Geographical Position and Transportation Costs

Niger's geographical position can be seen both as a major constraint and as a source of trade opportunity. The fact that much of the country is 1,000 km or more from the sea is the largest obstacle which adds substantial costs to imports and makes many domestic products uncompetitive. Given the fact that the most productive parts of the country are "draped over" Nigeria's long northern border and over Benin, Niger has three major market areas which are primarily defined in terms of their relationship to neighboring areas rather than to each other:

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[11] See USAID, Irrigation Sector Assessment, 1983, for more details.

- The southwestern portion of the country around the Niger River and Niamey is largely oriented towards the ports of Cotonou and Lome (and Abidjan to some extent);

- The central border region (mostly Hausa) is primarily attached to the large Nigerian market; and

- The far-eastern part of the country (Diffa Department) is oriented strongly to Nigeria but also has trade opportunities which reflect the influence of Chad and northern Cameroon as well.

Niger's critical position in relationship to Nigeria will be explored more below, but the fact that Niger has access to both Nigeria and alternative routes to the sea and other parts of francophone West Africa, has permitted the development over time of beneficial trade relationships. Some of these are historical in nature, going back to the time when the principal trade routes were across the Sahara. In more recent times, Niger's trade has often depended on price differentials introduced by Nigerian or francophone government policies and which has often involved nominally illegal border crossings. This will probably continue to be the case and has lead to speculation that Niger would perhaps benefit much less from free trade (under ECOWAS liberalization, for example) than some of its neighbors.

Transportation in Niger is primarily by road. The country has a good East-West highway network which has been more important in facilitating arbitrage of goods into and out of Nigeria and the neighboring francophone countries than it has been in terms of developing internal markets. A major factor influencing the cost of transport is the price of petroleum products. The price of gasoline in Nigeria (35.9 Kobo/litre in July 1987), at prevailing exchange rates, was equivalent to about 25 CFA per litre which was about one tenth of the controlled pump price in Niger! It is small wonder that very extensive smuggling of gas takes place along Niger's border. In our travels along the border we learned that camels can carry up to four fifty gallon drums of gas if necessary.

It is clear that allowing trucks from Nigeria to come into Niger markets could significantly reduce costs of transport into Nigeria which may contribute to higher effective prices for Nigerien producers and/or traders, with the magnitude of benefits depending on supply/demand and exchange rate conditions. Niger has even put a special tariff on the gas in oversized gas tanks on Nigerian trucks to try and reduce the opportunity for fraud. It would be useful to take a look at Niger's pricing of petroleum products, although conventional wisdom indicates that price levels are correctly set on an unsubsidized basis.

In addition, it would be useful to look at the impact of the potential completion of paving of the transsaharan highway to Algeria (about 600 km remain to close the gap) to see to what degree its completion would effect the cost and competitiveness of potential marketing routes through that country.

Air freight facilities to be used in potential agricultural marketing are limited and expensive. Air cargo space on the quasi-monopoly UTA/Air Afrique planes has been reduced in the past few years due to a decline in North-South freight traffic, a smaller number of all cargo flights and an increasing use of combination passenger/freight planes.[12]

Inevitable Linking of Niger's Economy to That of Nigeria

Other than the weather, the most important consideration for Niger's agricultural marketing future is its position solidly in the economic sphere of influence of Nigeria. No traveler from Niger to Nigeria, particularly to the bustling center of Kano, can escape being impressed by the immensity and depth of Nigeria's markets and colorful market economy. With perhaps half of Nigeria's 100 plus million population across the border in the northern tier of states, the influence of Nigeria, and its political and economic policies, on Niger are overwhelming. One's first reaction is to suggest that all pretense of controlling cross-border trade be abandoned to simply promote maximum economic integration. However, political reality makes the situation a bit more complex.

A recent study on Niger's agricultural sector contains a chapter which provides a useful summary of the main factors and time periods in this lively trade across a highly porous border.[13]

A number of critical points are made:

- The trade calls on its historical ethnic and family ties to work;
- Trade is as much dependent on exchange rate fluctuations as it is on natural differences in comparative advantage;
- It is generally not possible to dissociate agricultural trade from non-agricultural trade since the flow of manufactured goods is often the only way to make Niger's agricultural exports profitable (as in the current case with a weak Naira and strong CFA);
- The trade often serves as a safety valve to supply the large population of Northern Nigeria in time of crisis (such as the Nigerian civil war); and

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[12] This topic deserves to be followed up particularly with reference to the air-freighting of high value crops to the European market. The Jouval (1986) study is a food starting place.

[13] Chapter VII by J. Egg in Ancey et.al, SEDES, June, 1987.

- In the past, when state trading companies on either side of the border made a profit in agricultural trade it was usually through manipulation of support prices and/or exchange rates, and the looser was the agency on the other side of the border (eg., the fluctuating history of groundnut marketing shifting from one side of the border to the other).

The major shifts which have occurred since the first world war in the nature and direction of this cross border trade illustrate both its complexity and great importance but are beyond the scope of this paper. In terms of the current situation affecting agricultural marketing, the shifts which occurred during the 1967-74 period (with the Nigerian civil war, the onset of the Sahelian drought, etc.) are perhaps the most important: the appearance of the nonconvertible Naira, the decline of cash crop exports (particularly groundnuts), the increase in trade in food crops, and the beginnings of a truly massive and officially organized transit business towards Nigeria. This period saw great growth in the wealth and importance of the Elhadji of Maradi who dominated the Niger side of this trade.[14]

Major variables which will affect Nigeria as a trading partner are:

- The country's political stability, its ability to handle its large foreign debt;
- World prices for gas and oil;
- The strength and convertibility of the Naira; and
- The ability of Nigeria to reanimate its agriculture in order to "shock-proof" the economy to a greater degree.

Greater analysis needs to be done of the likely impacts on future agricultural trade opportunities with Nigeria under a variety of scenarios such as more complete regional trade integration, maintenance of an erratic Nigerian "stop and go" economic policy, increase in petroleum price levels, etc.

In general it would seem that Niger would have much to gain from a maximum trade opening with Nigeria. For a largely subsistence agricultural economy it will be better to be more inside the "boom or bust" economy than outside it. On the positive side one can point to the following possible benefits:

- Greater access to a wide range of cheaper consumer goods;
- Greater access to appropriate technology in agricultural production and processing technologies;
- Greater access to vast Nigerian markets characterized by greater buying power; and

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[14] See E. Gregoire, 1986, for more detail on the elite of Niger's "great informal sector".

- Greater access to business know-how. Hausa businessmen in Northern Nigeria have, in many cases, been able to put together a marriage of the traditional trading clan (with its social control and cohesion) with modern business management methods. This would be a desirable state of affairs for Nigerien businessmen to achieve.

Against these benefits can be arrayed a number of major disadvantages, real or imagined:

- Linking the two economies even more tightly together would further increase Niger's dependency on Nigeria and reduce its ability to take trading advantage of its position next to the "boom or bust" economy;

- Niger's few industries, whether in agricultural processing or not, could be severely challenged by direct competition with Nigerian firms.

Socio-Cultural Heritage

Further among factors which have a role in shaping the current realities for business development but which are only likely to slowly evolve over time, is Niger's social and institutional inheritance.

First, recognition must be made of the traditions of french colonial rule. The colonial administration left traditions such as:

- A highly centralized, military style command form of government which was coupled to french "dirigist" approaches to central control of all aspects of the economy;

- This was associated with a tendency to place order and control above other virtues; and

- A great deal of french commercial law is still on the books in Niger waiting for more appropriate adaptations.

In such a system it is difficult to avoid the temptation for the state to attempt to control and regulate all aspects of the economy in the same way school curricula, examinations, and requirements are under tight central control. It is not surprising that many of these same attitudes and approaches are well ingrained in the bureaucracy which went through that educational system and inherited the institutions and legal codes of the colonial system largely unchanged. In the best of times it would take a full generation, operating under conditions of some economic prosperity and growth, to begin to dislodge many of these well established habits. These are not expansionary times, however.

Coupled with traditions from the colonial past are ethnic and cultural traditions which can contribute to different ways of looking at the role of private individuals and the state in the economy. One only needs to note the strength of Hausa traditional trading networks in the south central part of Niger to know that these relationships might be viewed somewhat suspiciously or jealously by other groups who reside largely on one side of the border. In addition, one can only assume that there must be a certain dynamic tension between a private trade sector dominated by Hausa and a government where Djerma, who may have quite a quite different experience in trading and commerce, play a very important role.

Again, this is simply to note that in Niger, as in all other societies, there are culturally inherited attitudes toward socio-political organization and the role of the state in the economy which may take substantial time to change. Change will be accelerated by having some economic success stories which can begin to provide alternative role models.

International Barriers to Trade

There are a large number of barriers which affect trade among the 16 states which make up the ECOWAS group of West African nations. After ten years, basic ECOWAS agreements which are designed to promote free movement of people and goods are far from being put into effect. Added to that, outside the West African Monetary Union (with its CFA franc pegged to the French franc at a rate of 100 CFA = 2 French Francs), there are eight other currencies in use, most of which are not convertible.

A subgrouping of states, the francophone CEAO (Communaute Economique de l'Afrique Occidentale), have made greater progress in the reduction of some trade barriers on agricultural products. Currently, basic agricultural goods can move from one member state to the next without the payment of import duties; these goods, however, are subject to all applicable "domestic taxes" which may involve VAT (value added tax), statistical taxes, and special domestic taxes created just for this purpose. There is no common tariff wall on products coming from non-CEAO states; each state is free to set its own levels just as it is free to impose whatever level of export taxation it wishes on agricultural products. In terms of barriers to imports, the VAT is probably the most burdensome with both the percentage tax rate and base reference prices being set within each state.

There are, of course, other fiscal and administrative barriers, which can appear and be applied either formally or informally. For example, Burkina Faso recently imposed a transit tax on all goods equal to four percent of their value. Under pressure from neighboring states, however, this tax was apparently removed in May, 1987. Burkina also recently summarily banned the importation of all fruits and vegetables. Togo and Benin both have another sort of transit tax which is designed to encourage use of their respective competing ports. Goods which are offloaded in Lome are subject to a 2.5 % tax if they transit Benin and vice-versa. To this must be added enumerable opportunities for formal and informal "fines" for infractions of codes real or imagined. International boundaries are ideal for this purpose which helps to explain the pronounced tendency for many types of trade to cross them fraudulently.

The important point here is that these international barriers to improved trade in agricultural products are largely beyond the possibility of any individual state to control. Further, the majority of the Sahelian states' agricultural trade opportunities lie within the West African region. Many of the structural adjustment and economic policy reform programs being advanced in a number of states have an export promotion component. In West Africa, AID funded reform programs are working in Senegal, Mali, Guinea, Togo and Niger, all of which would benefit substantially from freer and less uncertain agricultural trade.

While it is beyond the scope of the proposed AEPRP action in Niger, this consultant recommends that AID/Niamey bring this situation to the attention of AID policy reform staff in Washington, perhaps with suggestions on actions which might reinforce efforts and progress being made in national level programs. Specifically, AID could use its resources to record and analyze barriers to trade as they effect all West African states. This might be accomplished under support to regional organizations such as ECOWAS or CEAO and could use AID personnel resources scattered across the region to do much of the basic data collection which could be channeled to an analyst in a central location such REDSO, Abidjan.

The central point is that economic policy and trade liberalization, at the national level, should be supported when possible by feasible changes within the major trading zone. Information is the key weapon: it may discourage or roll back inappropriate action or at least provide the opportunity for the existing political processes to mobilize for focused action. The cost effectiveness of such assistance would probably be high. Work in Niger has shown that many aspects of regional trade are shrouded in mystery and misinformation which may be relatively easy to remedy. This could also be supported by efforts to make commodity price and other information widely available.

The Structure of Agricultural Trade

Most studies which have been conducted of private sector trade in agricultural products in Sahelian West Africa have shown that trade to be reasonably competitive within limits of available information, large risks due to production uncertainty, high opportunity costs of capital, and so on. Long distance trade does tend to produce more barriers to entry and economic threshold costs to overcome than a more local trade. There is thus some support for the idea that oligopolistic tendencies would tend to be more pronounced the higher one goes in the marketing channels of specific commodities. Thus, for example, only a few traders will be able to import very large quantities of grain borrowing funds on international money markets. However, if substantial profits are to be made in such activities over time, one can be certain that other traders will find a way into the market.

We saw evidence of this in Nigeria where smaller merchants were scrambling to obtain export licenses from Niger to try and compete with a large trader who had bought very large quantities of Niebe from SONARA in the past.

One of the positive things that can be done to make sure agricultural markets remain competitive and unexploitative is simply to maximize the diffusion of information on quantities and prices being observed in different markets and reduce unnecessary barriers to the free movement of traders wanting to enter markets and participate.

As has been mentioned above, much has been done to dismantle the apparatus of state market monopoly and price control in Niger. Very great change has occurred in the vital grain markets with OPVN having a sharply reduced role. In other areas liberalization has also begun but perhaps has not gone as far. For Niebe marketing, SONARA no longer has a monopoly position although its market channels, which have only controlled but a part of past exports, are still functioning. SONARA is still on the World Bank list of firms to be privatized, but this will be complicated to accomplish because of the large debt burden the company is carrying.

The two state marketing efforts which still seem to be most firmly control of marketing actions in their commodity area are CFDT in cotton and RINI in rice. Both of these commodities share similarities in that the crops are both grown under carefully supervised conditions with a specific input package and the marketing of product is fully channeled to a processing outlet which is also operating under a controlled price regime. For Rice the argument is advanced that subsidies are needed and justified to help national food security objectives, to develop farmer skills in irrigated production in a sort of "infant agricultural industry " argument and because current world market price conditions represent a temporary phenomenon in terms of a weak dollar, government subsidies to foreign rice and so forth. As long as the subsidies to domestic production and marketing are clearly identified and can be met over time these arguments are perfectly acceptable on political grounds. It must be emphasized, however, that is is highly unlikely that Niger rice will ever be competitive with imported Asian rice.

For cotton, agreements with SONITEXTIL do seem to provide a rationale for maintaining a guaranteed market and justification for price supports and a stabilization fund program but this needs further examination.

With the possible exception of these few state companies, the structure of agricultural marketing seems to be largely in private hands and there do not seem to be many easily accomplished changes which could be suggested to affect market structure and performance.

Constraints More Subject to Modification

Within the world defined by the parameters and constraints discussed above, the range of commercial opportunities for enhanced agricultural trade has substantial limits. However, we will argue that this limited range is further constrained by variety of governmental policies which are more subject to modification.

Government Fiscal Policies

The subject of taxation is a complicated one in any environment. As mentioned above Niger has been in a very tight fiscal bind since 1981 and the decline of uranium revenues. Here we will look at the impact which GON tax policy may have on agricultural trade. Between 1980 and 1984 export taxes on products other than uranium have generated an average of four percentage of total GON revenues.

The point of view is to try and assess the nature of the impact of taxation on agricultural trade, particularly in terms of exports. The question becomes one of weighing the incentive effects of liberalization versus the revenue losses from tax reduction or elimination. Another part of the equation is the possibility of replacing one form of taxation by another in terms of ease of administration, propensity to generate revenue, political response, etc.[15]

In the context of preparation for the AEPRP there is need for a more general review, in conjunction with relevant GON and IMF officials, of the overall tax system.[16] There undoubtedly is analytical information on this topic, produced in recent years when the GON made various changes in its tax structure such as adding the VAT tax and reducing certain categories of import tax in early 1987. In any case, specific discussion of taxes here must be placed in that broader context of all revenue collection and expenditure.

Before looking at the topic of export taxation, a few other points should be made regarding taxation and agricultural trade:

- Some of the administrative constraints to be discussed in the section below also have fiscal aspects (eg., the amount of the "patente" and its "tax forfeitaire" component);

- It is clear that the GON does need to devise better ways to tax the "informal sector", particularly the part of it made up by large traders; and

- One idea has been to raise the level forfeit tax for those who do not use bookkeeping to a high level and to reduce income tax rates to encourage conversion to modern accounting methods.

Export taxes are one element of a rather long and complex chain of procedures which traders must follow in order to export products from Niger legally. The whole chain is described in more detail below. Here we will begin by noting that export taxes have approximately the same effect as price manipulation conducted by the old state commodity marketing boards. Marketing boards tax producers by offering them prices well below prevailing world prices; export taxes will have a similar effect since merchants will pass them on to farmers in terms of price reductions if they can still make a profit selling on world markets.

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[15] For a very good introduction to this subject see Chapters 4 and 5 to the World Bank's annual Development Report for 1986. For a more theoretically sophisticated approach to some of the same issues see C. Peter Timmer, *Getting Prices Right: The Scope and Limits of Agricultural Price Policy*, Cornell University Press, 1986.

[16] For a good overview description of the GON tax system see Republique du Niger, "La Politique du Secteur Prive" or "Investir au Niger" in bibliography. In addition, the IMF has conducted a general review of the overall tax structure.

The impact of the tax will depend on:

- The degree exports of that product are effectively controlled at borders;
- The relationship between the tax level, the domestic cost of production and opportunities for diversification into alternative products (supply elasticities and cross price elasticities), marketing costs, and world price levels.

In Niger a number of basic points need to be made about exports and export taxes:

- Most agricultural exports leave Niger through parallel market channels and thus no tax is paid;
- Taxes will be relatively easier to collect on some products (onions leaving by truck, air exports of high value crops, etc.) than on others (livestock on the hoof, cowpeas, etc).;
- Niger's export tax rates are relatively low compared to the very high margins traditionally applied by traditional marketing boards and export taxes in some other countries.

Even with these points one can still make the argument that these export taxes provide a disincentive to domestic agricultural production, they (with companion administrative measures) tend to channel exports into parallel markets, they provide severe disincentives for smaller traders to enter formal export markets, and, in general, they need to be studied with an eye towards their total elimination.

Part of the rationale for elimination is that net returns are not that great once the cost of administration is deducted. Further, the marginal disincentive effect is greatest where competition for export markets has tightened, such as the case for onions for the Ivory Coast at this time. Finally, decreases in revenues may be made up by taxation of increases in imports which, as we have seen, tend to be closely linked to agricultural exports (depends on linkages between two kinds of trade, marginal tax rates, incentives and ability to fraud, elasticities export good supply, import good demand, etc.)

The table below gives the history of the export tax rates over the past twenty years.

TABLE 5

TAX RATES ON AGRICULTURAL EXPORTS FROM NIGER

Categories		Rates in Effect by Date			
		'67-84	'Oct. 84	April '86	Jan. '87
Horses	(CFA/head)	4,000	2,800	2,800	2,800
Donkeys	"	200	500	500	500
Cattle	"	1,000	2,800	5,600	5,600
Sheep	"	400	500	1,000	1,000
Goats	"	400	300	600	600
Camels	"	1,000	2,800	2,800	5,600
Fresh Meat	(CFA/kg)	10	25	100	100
Smoked Meat	"	20	50	200	200
Smoked Fish	"	20	50	50	50
Onions	"	3	20	20	20
Niebe	"	2	20	20	20
Voandzou	"	?	20	20	20
Green Beans	"	?	?	?	20
Raw Hides and Skins	(%)*	9.5	9.5	9.5	3.0
Arabic Gum	"	12.5	12.5	12.5	14.3
Reptile Skins	"	?	?	?	10.1
Pork	"	?	?	?	20.1

Sources: GON Customs

* Note: Based on "mercurial" (market value) which is determined by Committee then established through Arrêté.

The pattern of increases seems to reflect a clear interest in revenue generation on the part of the government, but as we have argued this may be somewhat counterproductive in many cases.

Calculating the amount of revenue lost through a positive reduction or elimination of export tariffs on agricultural products is critical. Unfortunately the GON does not maintain its customs data in a way which facilitates this task. One can begin to zero in on a more precise estimate by working from two angles. The first is to consider the gross receipts from all non-mineral export tariffs. This produces figures in the order of magnitude of $6 million to $7 million per year but we are not sure of the commodity composition of these receipts.

An attempt was made to obtain from the customs service a breakdown of export tariffs by agricultural commodity for recent years. Table 6 gives the results of the hard tabulations conducted by personnel of the customs service. Unfortunately, it does not include the receipts from hides and skins exports which are apparently the largest category of agricultural tariffs.

From Table 6 we see that agricultural export tariffs have been fairly limited in the past three years for the commodities listed. Based on this one might guess that total receipts from agricultural export tariffs would likely be in the order of $US 2-3 million if all commodities and by-products are included. This information clearly needs to be made more precise before or during the AEPRF design phase.

It should be noted that various parts of the GON have formed an ad hoc committee to look at possible reforms in export tariffs (this involves Ministries of Commerce and Finance and the Presidency). In addition there was a recent meeting at the chamber of commerce between traders and the Customs Service to review these rates and their application.

TABLE 6

EXPORT DUTIES BY COMMODITY, REPUBLIC OF NIGER, 1984-1987

(IN FCFA '000)

COMMODITY	1984	1985	1986	1987 (Partial)
Cattle	67,516	29,889	12,370	9,710
Sheep	110,097	2,186	4,063	3,571
Goats	9,663	6,029	0	2,537
Donkeys	1,542	1,470	0	485
Camels	4,012	3,703	0	8,350
Horses	658	584	0	0
Subtotal: All Livestock	193,488	43,861	16,433	24,653
Onions	131,205	147,678	71,207	163,433
Cowpeas	0	0	139,520	0
TOTAL: ALL COMMODITIES	324,693	191,539	227,160	188,086
TOTAL IN US$ MILL	1.08	0.64	0.76	0.63

Source: GON, General Direction of Customs

Government Administrative Policies and Procedures

Steps in Legal Exporting

One of the ways of getting a sense for the layers of regulations and procedures which may have to be stripped back to promote a freer export trade is to look at the procedures which need to be followed to export products legally from Niger.

Step 1: Being a Registered Trader. This process centers on being inscribed on the "registry of commerce" which is held by the state-subsidized Chamber of Commerce. This is done by paying an annual membership fee (the "cotisation de marchandise") and joining as an importer/exporter. Zalla (AID, 1984) mentions a prior set of steps involving gaining an "authorization" from the President of the departmental Rural Development Committee (RDC, this position is filled by the Prefect) which involves having proof of nationality, a valid "judicial certificate", proof of adequate financial resources (ie., a well watered bank account), and proof of storage space.

(Also, is this the same as the five year commercial autorisation d'exercise"?)

Step 2: Buying the Import/Export Patente. The Patente is an interesting combination business permit and flat tax. Table 7 gives the composition and amount of "patentes" which authorize the holder to transact (import or export) merchandize whose total value is up to that amount. Theoretically, when that ceiling is reached a new patente must be purchased. A patente is good for a year. Patentes can only be issued in Niamey or at Departmental offices of the Ministry of Commerce.

Businesses which keep modern books do not have to pay the forfeit tax part of the patente fee.

TABLE 7

COST OF IMPORT/EXPORT PERMITS

	Patente Levels (Mill CFA):		
	Up to 30m	30-160m	160-600m
Forfeit Tax:	240,000	500,000	700,000
Patente :	195,000	406,250	568,750
TOTAL :	435,000	906,250	1,268,750

Certain types of businesses and other organizations (such as cooperatives), since they are already registered under other procedures, do not need a patente in order to get an export license. This may be an opportunity for coops in the future but needs to be investigated in more detail since it may only apply to legally recognized coops or to their regional organizations.

Step 3: Other Formalities. Under certain circumstances other formalities must be met before the export license can be granted. Special permits are required to be obtained from the Ministry of Commerce in Niamey to export hides and skins and cereals. Sometimes the regional commerce man may require "formalites supplimentaires" which involve *in loco parentis* tax and credit checks before authorizing a transaction.

For certain products going into the CEAO countries, a "certficate d'origine" may be necessary in order to prove that they are from within the community to avoid import duties in the other country.

Step 4: The Export License. In recent years, the GON has allowed export licenses to be granted in each prefecture. Assuming one has completed the steps above one can apply at the regional office of the Ministry of Commerce where the license itself will cost 7,000 CFA (seven 1,000 CFA fiscal stamps) and must be signed by the region's chief executive officer, the Prefect. We were assured that if "everything is in order", this process may only take a day or so.

As Zalla et al. pointed out, this procedure is not designed for the small, non-French speaking trader and thus has some definite negative equity effects along with being a millstone around the neck of legitimate trade.

Step 5: Pay the Export Tax and Maneuver through Informal "Tracasseries." By this time the weary exporter has his trucks of goods to export rolling down the fine highways of Niger toward the border. As we noticed in the 400 km trip from Niamey to the Nigeria border at Konni these trucks would have had to pass through at least 13 permanent or temporary road blocks manned by local police, customs, gendarmerie, and Republican Guards (who watch the other three services), just to reach the border post to pay the export tax. One can only speculate what it may be necessary to do in order to get past these obstacles without loosing too much time.

Price Controls

The GON has made good progress in removing most of the specific controls which were once on most traded goods but the control mechanisms are still largely in place. There are basically two kinds of price controls: fixed prices on certain items and fixed margin ceilings (called "homologation des prix" or "taux des marque") on a wider range of goods. At this moment there are seven goods and services which are seen to be of vital or strategic necessity and whose prices are still fixed. These are: salt, wheat flour, bread, electricity, natural gas, piped water, and public transportation. It goes without saying that even if controls are maintained there are a variety of pricing strategies which can be used to promote economic efficiency and other socioeconomic objectives.

Fixed margin ceilings are currently applied to 39 products with permissible margins ranging from 35 to 50 percent. It is hard to imagine the cost effectiveness of efforts to enforce this type of legislation. The Ministry of Commerce has a "Service de Controle des Prix" which is responsible for the application of these measures. Compliance presumably is also guaranteed by the Economic Police.

These regulations certainly needed to be reviewed with the intention of seeing how they might be reduced or eliminated.

Commercial and Investment Codes

The PAIPCE underlines that Niger needs to revise its commercial code. This is a topic which is to be one of the principle areas of focus of a private sector study funded by AID as a companion to this report (de la Giroday and N'Poko, forthcoming). Associated with this effort, a very informative report was produced by Mouskoura (1987) which effectively conveys the flavour of problems of conducting business in Niger as perceived by participants. The World Bank plans to do more work in this area in late 1987.

Niger's formal Investment Code has been revised several times since independence and will be the subject of a world bank financed study which should take place in the fall, 1987. The provisions of the code seem to be quite generous in terms of tax holidays and other aspects of tax relief. The perception exists, however, that it is not really the language of the code which defines the effective business atmosphere, however, but the administration of that code and other administrative measures. Complaints are voiced that some of the biggest problems lie in the areas of administrative foot-dragging and the arbitrary administration of economic fines totally out of proportion to the gravity of the "offense" committed. This is a subtle area and difficult to quantify but one which the forthcoming studies will hopefully address.

Other Administrative Barriers

This is an area which arises from the widespread belief that the commercial sector is untrustworthy and must be "controlled" at every opportunity, often in anticipation or expectation of offenses waiting to happen. Thus, we find in Niger a density of check points and roadblocks, sweeps by the economic police, and other forms "control" (which inevitably lend themselves to abuse and misapplication) which would be intolerable in most Western economies, even that of France.

This is an area which also will be examined in more detail in other studies. One would suggest that the laws, fine structures, and implementation procedures governing "economic crimes" be examined. Are there appeal procedures? Are they used and, if not, why not? It is hard to resist being very cynical about these matters but they should be taken quite seriously since the allegation is that, taken together, they help to crush the entrepreneurial spirit in the country.

Lack of Appropriate Human Capital

In Niger there appears to be a clear lack of independent private sector business capacity the areas of modern ("high technology") agriculture; agribusiness; the design, execution and evaluation of development projects and studies; and a variety of supporting business services such as accounting, computer information management, engineering, packaging, marketing and marketing services, advertising, etc. These services are those that would be most helpful in terms of realizing potential business opportunities. They should be promoted for the following reasons:

- There is the opportunity to create viable private sector employment and income opportunities both in collaboration and in competition with expatriate firms;

- There is need for greater efficiency and cost-effectiveness in the conduct of general development and project related studies;

- It would be extremely useful to have accessible the capability to deliver credible ("bankable") technical and financial investment proposals;

- There is need for the development of increased Nigerien capacity in business-related support industries in areas such as engineering, accounting, computer services, marketing and packaging; and

- This will be a valuable resource which can be called on in the future by both the private sector and the donor community.

It should be noted that many of these skill areas may be contained in a general purpose consulting firm or in a series of smaller, more specialized firms. The latter path is probably more realistic in that these small firms will be formed around the skills and energy of one or two competent individuals.

It may be argued that trying to create these kinds of supporting services in the absence of widespread modern private sector business activity may be a bit like creating a hot house plant which will wilt when exposed to the harsh climate of the unprotected atmosphere. While this is generally true, there is always a synergistic interaction between businesses and supporting services which would encourage both to be developed at the same time.

Inadequate Market Information

There is a dearth of readily available information which can be used to plan short or longer term business operations in the marketing of agricultural products either domestically or to international markets. Domestically there is need for quantity and price information on the marketing of key basic agricultural commodities in the areas of livestock and crops. This has been an area of conditionality in the AID ASDG project and there has not been a great deal of progress made. Apparently there is some fear that making market information readily available will either lead to greater oligopolistic concentration on the part of the few businessmen who can effectively make use of this information or it will lead to an erosion of the current "cartels" through making information more widely available. The former is unlikely and the latter is indefensible.

There is even less reliable information available on foreign markets. Export market intelligence services are highly important in the development of potential market opportunities. For Niger's agricultural products, reliable information on key variables is critical in order to effectively penetrate markets in Nigeria, Ivory Coast, France, other European countries, etc. Variables such as quantities marketed, price and price variation or seasonality, standards in appearance, quality, health concerns, and packaging are critical to promoting competitive export industries.

AEPRP PROGRAM AREAS, TECHNICAL ASSISTANCE AND SPECIAL STUDIES

Ideas on AEPRP Strategy

The following are ideas which may help in the formulation of conditionality or guidelines for use of program funds:

- Most possible areas of policy reform will affect a wide range of businesses, not just those concentrating on agriculture;

- This is quite appropriate and linked to the fact that much agricultural trade, particularly that conducted by the "informal sector," is strongly linked to trade in non-agricultural, manufactured products;

- In terms of a general philosophical direction for the program, it should be of shifting the nature of the relationship between the state and the private sector from one of distaste, fear and opportunity for plunder to one of actively promoting the growth of various subsectors. This depends on a true partnership between the state and the subsector and plotting means by which that industry can grow. In return, producer and marketing groups are often ready to increase their payment of specific user fees for the direct provision of productive services;

- Request for funding assistance under the program should come from producer or marketing groups or firms (including cooperatives and cooperative organizations) or the request can come jointly from such a firm and a cooperating (sponsoring) agency in GON or other;

- It would be useful to allocate some of the program funding to the activities which can alleviate constraints which have wide application and some portion of the fund to increase risk taking or venture capital participation in specific processing or marketing opportunities;

- Similarly, there should be some rough division between actions which can have wide impact in the agricultural sector and those which are narrowly focused;

- Similarly, if there is a desire to channel greater funding to the Ministry of Animal Resources (say 3/5ths of the potential local currency fund), then this should simply be done by fiat or guideline;

- Major emphasis should be made to support efforts proposed in 'the PAIPCE (eg, page 82) to provide support and linkages to the commercially dominant "informal sector." Otherwise the program risks being irrelevant to the heart of Niger's private commercial sector; and

- Finally, the PAIPCE program contains at least seven solid proposals for private sector promotion which should be analyzed carefully in the next stage of the design process. The active participation of the PAIPCE design staff in this process should be built into the process.

Areas of Potential Program Funding

The following are areas where program funding might be used constructively; a number are ideas which may support proposals made in the Ministry of Plan PAIPCE program:

- Removing barriers to and encouraging joint venture activities between Nigerien firms and those from Nigeria or other countries;

- Promoting the creation of private sector business/rural development consulting firms as a private sector activity and as a means of producing "bankable" business feasibility studies for potential private sector clients;

- Promoting practical training in management methods for current and potential private sector business personnel and creating apprenticeship programs for new school graduates to work in private business;

- Support efforts to increase the ready availability of information on domestic and foreign export markets for Nigerian basic agricultural products.

[Similarities, overlap, and differences with the PAIPCE/PSR should be further defined. Description of program areas is not meant to be definitive since use of local currency funds will have to be guided by conditions on their use.]

Each of these areas will be explored in more detail below to develop the rationale for the area of activity, the reasons why the area responses to perceived constraints in the sector, and ideas on how the particularly area of activity might be structured institutionally and how it could be supported by complementary policy change.

Joint Venture Formation

This areas is suggested in order to meet the human capital constraint, particularly in terms of access to appropriate technology, markets, and business know-how in the formation and operation of viable private sector businesses in the marketing of basic and transformed agricultural products. This kind of activity is to be encouraged for the following reasons:

- To gain access to appropriate private sector technology in production, processing and marketing of agriculturally based products;
- Gaining assistance in the penetration of potential foreign markets;
- Improving access to adequate supplies of necessary venture capital; and
- In general, helping to increase returns to Niger's physical and human resource base.

There are a number of ways that the promotion of this kind of highly targeted joint venture could be promoted:

- Legislative texts and codes involving formal joint venture participation of foreign firms need to be examined and suggestions made for modification if necessary. The Investment Code is currently being revised; this effort should be supported;
- Current and potential investment incentive measures should be explored. The investment promotion programs of other countries, such as the Ivory Coast, may serve as models or sources of ideas. A consulting firm will be hired soon to investigate incentive measure; and
- Opportunities and approaches to using joint venture approaches could be a part of a program of business training such as will be discussed below.

Promotion of Private Sector Consulting Capabilities

There are a number of approaches and mechanisms which can be used to foster this sort of development:

- Direct use can be made of part of the considerable sums spent in Niger each year by donors in the design, execution, and evaluation of their projects. It might be possible for certain donors, at the request of the GON, to put aside a minimum percentage of their annual budgets for studies to be executed either by Nigerien firms or by well-defined partnerships between domestic and foreign consulting firms. In the latter case, it would be assumed that there would be movement over time toward the Nigerien firm being able to operate on its own;

- Programs such as the business promotion section of the PAIPCE "golden handshake" program have feasibility study mechanisms planned which would be subsidized by GON and donor support;

- Training can be provided to interested individuals and groups on the establishment, organization, and operation of private sector consulting firms. This may be conducted in conjunction with a number of existing institutions (the Chamber of Commerce, OPEN, etc.);

- Review the legislation involving the creation of private business in the "service sector" and review the experiences of firms which have been established in other areas, such as HARAKA.

Practical Business Training/ Apprenticeship Programs

This is a potentially vast area of activity which could probably first use an overview assessment study. There apparently is no higher level formal training facility for business in the country. There are, however, a number of interesting new institutions and some project funded training efforts which have a business orientation:

- In January 1987 the CNPG (Centre Nigerien de Perfectionment et de la Gestion) was opened in conjunction with the Chamber of Commerce;

- The World Bank is to fund a pilot entrepreneurship program which will identify and work with a select number of persons who seem to have business aptitude and ideas for specific business development; and

- An FAO funded project activity in the Ministry of Plan is providing micro-project analysis and business training to arrondisement-level cadres to help then identify and promote "micro-realisations".

There are undoubtedly many more interesting examples in Niger. The point is that thinking about business training should start with a review of current programs and activities and ascertain where an AEPRP training component might be most helpful. The PAIPCE has a number of suggestions to be followed up.

In the area of apprenticeship training there are two ideas which have been suggested in the PAIPCE. One would involve various businesses being encouraged to hire new school graduates; the PAIPCE suggests that the program subsidize salaries for an initial and limited period of time. The second would involve similar arrangements to be made for retiring civil servants. As they stand neither idea seems very promising but perhaps with some study alternatives may be found. Apprenticeship programs for young Hausa businessmen to work as apprentices in Nigeria in "modernized" businesses might be explored and so on.

Increasing Domestic and Export Market Information Availability

There are a variety of means which can be used to accomplish this information objective:

- Technical assistance may be useful initially in terms of defining information needs and the methods which can be used to meet those needs;
- With some training and marginal additional resources, cost effective use could be made of Niger's overseas consular and diplomatic posts for the gathering of part of the required information;
- Some parts of the information requirements can be met through subscription publications such as *Marches Tropicaux*, *Echos de les halles*, *Rungis*, and similar publications for other markets;
- There are also special market information services (such as COLEACP) which can provide tailored information products; and
- Special studies of the marketing opportunities in specific commodity subsectors can be commissioned.

Technical Assistance Needs

The types and levels of technical assistance which could be provided under this program funding will be defined in more detail in the next planning phase. However, at this point the following ideas might be considered:

- It seems necessary that a Personal Services Contractor be engaged to serve in a management and liaison capacity. This person should probably have background in business training or management;
- Contractual long term assistance might be most useful in training, in business feasibility and market analysis studies, and in the development of information systems for both domestic and international market opportunities. This assistance could operate through the Chamber of Commerce, the Direction de Commerce Exterieur, etc.

Special Studies During the Design and Program Execution Phases

It is suggested that during the design phase the following "rapid reconnaissance" commodity subsector studies be undertaken to gather more detailed information along the lines suggested earlier in this paper. It is suggested that these studies be four to five weeks long and that they considered in the following order of priority:

- Livestock Subsector, including important industries for livestock products, particularly leather. Attention should be given to measures which can improve the performance of marketing channels for the bulk of national production but also to those opportunities for specialized areas of production/marketing, such as various fattening ("embouche") schemes. Special emphasis should also be given to forage production and conservation. The team should contain, among others, a livestock economist familiar with Niger and a leather industry specialist.

- Vegetable and Tuber Subsector, including special attention to be given to onions, garlic, tomatoes, peppers, potatoes, and other products which are important in the regional markets, and those crops, such as winter season vegetable crops which have potential to be grown under intensive conditions for export markets. The team should include an agricultural economist, a vegetable marketing specialist, and a production horticulturalist who can look at the adequacy of current INRAN and other research/extension programs in this area.

- Cereals Subsector, an agricultural economist/marketing specialist, a rice expert and a grain milling specialist with experience in West Africa should look at some of the issues involving the milling of millet, sorghum, and maize, the Niger rice industry, and conduct a general assessment of marketing channels;

- Legume Subsector, An agricultural economist and an oil processing specialist, in addition to describing the structure, conduct and performance of the subsector, should look specifically at the peanut oil industry, and the dimensions of the export market for cowpeas.

During the execution phase it is suggested that a special studies fund be created to allow high priority areas to be investigated. It is further suggested that some or all of these studies be done in cooperation with local consulting capability in order to promote that aspect of private sector development. Topics can include:

- More detailed commodity and export marketing studies;

- Institutionalizing training for modern sector business skills;

- Means of helping to bring modern management skills to the "informal sector";

- Support to budget/consumption study which could be used to estimate demand elasticities in urban and rural areas for raw and transformed agricultural products would be highly useful; and

- A variety of evaluation and facilitating studies to be defined by program technical assistance and a program management committee.

ANNEX A:

TABLE 1: LIVESTOCK SLAUGHTERED IN SOKOTO CITY, BY QUARTER, 1986

ANNEX A

TABLE 1: LIVESTOCK SLAUGHTERED IN SOKOTO CITY, By Quarter, 1986

('000 HEAD)

Species	FIRST Jan:Mar	SECOND Apl:June	THIRD July:Sept	FOURTH Oct:Dec	TOTAL
Cattle	44.3	32.8	21.6	27.4	126.1
Goats	58.0	64.8	41.4	53.7	217.9
Sheep	51.3	51.5	35.6	45.1	183.5
Camels	5.2	2.7	1.3	2.1	11.3
TOTAL	158.8	151.8	99.9	128.3	538.8

Source: GON, Provided by Leather Research Institute, Sokoto

TABLE 2 : HIDES, SKINS AND PROCESSED LEATHER SOLD IN SOKOTO STATE, BY QUARTER, 1986 ('000 UNITS)

Species	FIRST Jan:Mar	SECOND Apl:June	THIRD July:Sept	FOURTH Oct:Dec	TOTAL
Cow Hides	38.1	26.9	18.5	29.1	112.6
Goat Skins	603.5	739.8	1003.9	592.5	2939.7
Sheep Skins	613.1	716.9	1092.1	579.9	3002.0
Crust* Leather	15.6	45.0	62.0	95.9	218.5
Wet Blue*	95.0	2.0	*****	*****	97.0
Reptile Skins	2.0	5.9	1.2	1.5	10.6
TOTAL	1270.3	1528.6	2176.5	1297.4	6272.8

Source: GON, Provided by Leather Research Institute, Sokoto

* Notes: Crust Tanned leather refers to the semi-finished leather produced by traditional tanning with local plant materials. Wet Blue Leather is a standard export product of modern tanneries. It is completely tanned but is often further dyed and processed by leather goods manufacturers. Both of these leather products largely use the skins of red and black goats.

ANNEX B:

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ANNEX C:

PERSONS INTERVIEWED

ANNEX C: PERSONS INTERVIEWED

Persons Interviewed on Field Trip

Birni N'Konni, Niger

M. MAIFADA Amadou Abdou	Sous-Prefect
M. YACOUDIMA Harouna	Controleur de Doaune
M. TANKARI Ada	Responsable, Poste de Controle Phytosanitaire
M. ABARI Mai Moussa	Directeur, ONAHA Irrigated Perimeter

Galmi, Niger

M. YACOUBA Moussa	Controleur de Douane
M.	President, Galmi Onion Cooperative
M.	Responsable, Section Coopertive

Maradi, Niger

M. RABIOU Ousseni Mamane	Secretaire Generale, Prefecture
M. MOUSSA Harouna	Directeur, Antenne de Commerce
M.	Responsable, Abattoire
M. MALLAM Hamane Aboubakar	Chamber of Commerce of Maradi
M.	Directeur Adjoint, SONITAN
Elhadji MAHAMANE Magali	Commercant, Maradi
Elhadji OUSMANE Ali	Commercant, Maradi
Elhadji DAYABUY Ibrahim	Commercant, Maradi

Zinder, Niger

M. RADO Moustapha	Directeur SOTRAMIL
M. KALLA Oumarou	Chief of Production, SOTRAMIL
Traditionbal Tanners of Zinder	

Kano, Nigeria

S.E. Elhadji HIMA Adamou	Consul of Niger in Kano
Mme. JOSE Firyan	Goatskin Exporter
Elhadji DANTATA	President of Dantata Industries

Djibiya, Nigeria

Elhadji YEZID Sanni	Manager, Kaduna Cooperative Bank

Zaria, Nigeria

Professor R.A. OGUNSUSI	Deputy Dean of the Faculty of Veterinary Medecine, ABU
Dr. E.G. ETUK	Dept. of Ag Economics and Rural Soc., Inst. of Ag Research, ABU
Dr. Salisou INGAWA	Dept. of Ag Economics and Rural Soc.. IAR. ABU
Dr. Peter OKAIYETO	Livestock Economist, Nat. An. Prod. Res. Inst. (ABU), Shika

Sokoto, Nigeria

Mr. A.K. ODURITAN	Director, Extension Unit of Nigeria Leather Research Institute
Mr. J.O. ODEWANDE	Head, Extension Service, NLRI
Mr. Emmanuel UKATO	Tannery Chief
Mr. AL-LABABIDI Isam	Manager, Sokoto Leather and Tanning Industries Ltd. (SOLETA)

Traditional Tanners of Sokoto

<u>Persons Interviewed in Niamey</u>

M. MALLAM Ary Kone	Dir. Adj. Production Agricole, Min. of Agriculture
M. RANDON	Statistical Unit, Min. of Ag.
M. Mallamgata	PAIPCE, Ministry of Plan
M. NINGNON Pierre	World Bank, Niamey
M. H. Hguyen	World Bank, Washington
M. C. Azi	World Bank, Washington
M. ABDOU Issaka	General Secretary, Chamber of Commerce
M. IDRISSA Mahamadou	General Secretary, Min. of Commerce
M. SERAFINI Phil	ICRISAT, Niamey
M. SALAO Adamou	Inspecteur Principal des Douanes
M. NAYOUSSA Issia	Gen. Secretary, Min. An. Resources
Mme.	Directrice d'Expoitation, SONARA
M. Issa Mahaman	Responable, INRAN/DECOR
M. ISSAKA	Statistical Office, GON Douane

<u>AID Staff and Contractors Interviewed</u>

Mr. Peter Bendict	Mission Director
Mr. George Eaton	Mission Director
Mr. Carey Coulter	Deputy Mission Director
Mr. Ernie Gibson	Head, Agricultural Develop. Office
Mr. Dayton Maxwell	Head, General Develop. Office
Dr. Kifle Negash	Mission Agricultural Economist
Mr. Ken Koehn	Niamey Productivity Project
Mr. Houssein Naficy	Niamey Productivity Project
Dr. Al Sollad	Integrated Livestock Management Project
Dr. Dirk Stryker	Consultant, Tufts University
Dr. Naraine Persaud	Texas A&M, Tropsoils

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