

UNITED STATES GOVERNMENT

Memorandum

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TO : ECPR

DATE: March 12, 1976

FROM : Project Committee

SUBJECT: Issues Paper for ECPR Meeting on Economics of Rice in West Africa

The following are issues or considerations which the Project Committee wishes addressed by the ECPR:

1. It is not clear that adequate provisions have been made to leave WARDA and the countries included in the study with the capacity to conduct similar research once the project is complete. Both the technical and project committees felt that this was a major gap which had to be addressed.

The Project Committee recommends that FRI be requested to make an assessment of the WARDA and the countries included in the study. Based upon this, FRI should provide AID with a report recommending what, if anything, is needed in terms of personnel, training, funding, etc. to provide such capacity. From this AID can work directly with WARDA and the countries themselves to implement the recommendations. The report would be due about six months after the start of the study.

2. The West Africa proposal indicates that 4 doctoral candidates will form an integral part of the research team. The Project Committee recommends that FRI be instructed to make every reasonable attempt to use West Africans.

3. Should Guinea and Guinea Bissau be included in the analysis? The Project Committee recommends that they be included on the same basis as Nigeria, Togo, and Benin (i.e., no original survey research) in order to provide a more complete picture of the economics of rice in West Africa.

4. The proposals do not clearly indicate how much time will actually be spent in the field by the principal investigators. Since the time of the principals is central to the quality of the studies, this must be clarified prior to project approval.

5. The AFR Bureau must decide how to fund the project. The draft proposes to find it under the Rice Research and Production project already submitted to Congress. Because the major FRI study will be carried out in collaboration with WARDA, it is logical to propose an enlargement of the existing project to accommodate the related but separate economic research activity. Two alternative options exist. AID could fund the studies under the Program Development and Support Project. Alternatively, AID could fund this activity under drought-related research if separate funds are available for that purpose.



6. The AFR Bureau must decide what organizational unit will be responsible for project management. The alternatives include AFR/RA which manages the WARDA activities, AFR/DR which has the professional economic expertise to review the substantive outputs, and AFR/DP which after the Bureau reorganization will be responsible for AFR Bureau research. The Project Committee assumes the Ghana Desk will backstop the Ghana component and that if AFR/RA does not undertake direct project management responsibility, then close coordination between the responsible unit and AFR/RA will be essential.

PROJECT COMMITTEE

AFR/DS:SKlein

AFR/DS:DWeisenborn

AFR/CWR:JMcLaughlin

AFR/CWR:SRea

AFR/RA:JHill

AFR/DP:FMocre

DRAFT MEMO

TO : AA/AFR, Mr. Stanley S. Scott

FROM : AFR/DS, Princeton Lyman

SUBJECT: Approval of Research Project on the Economics of Rice in West Africa

I. SUMMARY

I recommend that you approve a research project on the Economics of Rice in West Africa consisting of two components: (i) a study by the Stanford Food Research Institute (FRI) entitled "The Political Economy of Rice in West Africa", and (ii) a separate but complementary in-depth study in Ghana entitled "An Integrated Analysis of Rice Production, Processing, Marketing, and Consumption in Ghana". The FRI study will be carried out pursuant to a contract between FRI and AID, based on the unsolicited research proposal submitted by FRI on January 30, 1976. The West Africa Rice Development Association (WARDA) fully supports the FRI proposal and will collaborate with FRI in the study, pursuant to a Memorandum of Understanding (See Annex I) signed by WARDA and FRI on January 23, 1976. The Ghana study will be carried out by Stanford personnel under Personal Services Contracts with the Ghana Mission. The Ghana Government has requested and strongly supports the Ghana Research.

The total cost of the Research Project is \$775,000, composed of \$620,000 for the FRI study, and \$155,000 for the Ghana study. The project will be funded under the Rice Research and Production project, and a Congressional Notification will be required on the project which will be combined with the Notification for the Mopti Research project.

II. DESCRIPTION OF PROJECT

The Research Project consists of two separate but complementary components described as follows.

A. West African Study (See Annex II)

FRI will carry out a research study on "The Political Economy of Rice in West Africa" to be undertaken jointly with WARDA. The study will be divided into four sub-components as follows:

1. Descriptive analyses of government policies influencing rice. These studies will also compare rice policies with policies for alternative food and cash crops to give a more complete picture of the agriculture sector.

2. A compilation by country of existing data on the production, local distribution, consumption and international trade of rice. In addition to providing a data base for future use, this effort will identify primary data collection needs for other parts of the analysis.

3. Micro-analysis of rice production, milling, marketing, and consumption. The studies will examine among others the private and social profitability of existing producing areas, the economics of alternative techniques of production, and the equity implications attributable to the different applications of technology. The analyses of production and consumption will contain comparative discussions of rice and alternative commodities.

4. This component will have two separate studies:

(a) a study to contrast rice policy, rice consumption, and recent and possible future trade patterns among the member countries of WARDA; and

(b) a study of West African rice in an international perspective, incorporating results of an AID financed study by FRI on The Political Economy of Rice in Asia. (See Section III.A. below.)

All thirteen WARDA countries will be included in the analysis but the depth of analysis will vary between countries, especially in the case of 3 above. FRI plans to have research personnel doing survey work in Senegal/Mauritania, Mali, Liberia, Ivory Coast, Sierra Leone/the Gambia, and Upper Volta/Niger. No

new data would be collected in Togo, Benin, and Nigeria. Ghana would be covered by the separate in-depth study described in II.B. below.

The study will be carried out principally by Dr. Walter P. Falcon, Dr. Scott Pearson, and Dr. J. Dirck Stryker, with the assistance of other FRI staff personnel and more junior researchers and degree candidates.

FRI proposed to begin the study on April 1, 1976 and complete it by September 20, 1978, assuming AID funding arrangements had been completed. Initial discussions would be held with WARDA and individual countries to establish a research network, review basic data and establish the needs and framework for survey research. In the fall of 1976, survey researchers would begin work. In the Fall of 1977, Pearson and Stryker will prepare the analysis for intra-African trade of rice for submission by WARDA to the December 1977 annual meeting of WARDA. Additional micro-data developed in the detailed country studies will be incorporated into the final comparative papers. The principal results will be available in English and French.

B. Ghana Study (See Annex III)

The Ghana study entitled "An Integrated Analysis of Rice Production Processing, Marketing, and Consumption in Ghana" will be based on original field surveys of each component of the rice sub-sector. The study will provide an integrated analysis of comparative cost and government policies, especially as they affect the choice of technique and hence income distribution and employment opportunities. The study will provide significantly more depth than any country study under the FRI/WARDA collaboration, and thus will have important lessons for other WARDA countries.

The details of the Ghana study include inter alia: (i) assessment of the efficiency of present and potential methods of rice farming, processing, and distribution; (ii) evaluation of the employment and income distributional charac

teristics of alternative methods of rice production; (iii) analyses of the economic costs and benefits of government incentives to the rice industry; (iv) analysis of the price and income elasticities for rice of urban and rural consumers in Ghana; and (v) investigation of the prospects for exporting Ghanaian rice, especially within West Africa.

The study will be carried out by Dr. Scott Pearson and John Page under Personal Services Contracts with USAID/Ghana assisted by researchers Southworth, Menke and personnel from the Ghana Department of Economic Research and Planning Services.

The Ghana study will start in May 1976, with a visit by the principal team members and the inception of the marketing study. The field research will be carried on from September 1976 through September 1977. The integration of the separate studies will be carried out following completion of the field surveys with a final report available in June-September 1978.

III. HISTORY AND BACKGROUND

A. FRI Contract with Asia Bureau

FRI carried out a study "The Political Economy of Rice" with the Asia Bureau which began in July 1973, and was completed at the end of 1975. The contract expenditure totalled \$262,160 and was funded centrally as well as by the operating bureau (AID Contract No. CM-ASIA-C-73-39). The Asia study concentrated on the rice economics of eight countries - Indonesia, Japan, Malaysia, Philippines, South Korea, Taiwan, Thailand, and the U.S. The initial attention focused on the generation and compilation of data needed for national decision-making and for national rice policy in each country. The study facilitated development of a network of scholars who worked on and will continue to carry out the research on rice in Asia. FRI produced a series of eighteen different working papers. In addition

twenty-one separate papers were prepared for the seven Asian countries by Asian scholars.

The appraisal of the Asia contract by responsible officials who administered the contract, and TAB, has been positive. FRI carried out the contract in a professional manner, the work was produced on time and within the contract amount, and most importantly, the contract provided a substantive addition to the information on rice policy in Asia, both through the papers produced and the catalytic effect in developing the network of Asian research scholars on rice.

B. FRI Proposal to AID

FRI submitted a preliminary unsolicited research proposal to AID on 24 October 1975 to carry out a West Africa rice study. This work was proposed as a separate but follow-on study of the work which FRI had done in Asia. The primary differences in approach and cost between the Asia and the Africa study are the lack of basic data in Africa, and the fewer number of African indigenous research scholars. FRI submitted a supplemental letter on the proposal on November 6. Following discussions with AID/W and WARDA described below, FRI formally submitted an unsolicited research proposal to AID on January 30, 1976. (See Annex II)

The Ghana study flowed from extensive discussions among Dr. Scott Pearson, the USAID Mission in Accra, and Ghanaian Government Officials, especially Dr. Atta-Konadu, Head of the Department of Economic Research and Planning Services, Ministry of Agriculture. These discussions began in June 1975, were continued in September 1975 during Dr. Pearson's visit to Ghana in September, and the final details of the proposal were formed during December 1975 when Dr. Atta-Konadu met with Dr. Pearson at Stanford, and in January 1976 when Dr. Pearson was in Ghana. (See Annex III)

C. Discussions with AID and WARDA

FRI representatives Falcon, Pearson, and Stryker met with AID/W personnel on November 4 and 5, 1975 to discuss the AID/W reaction to the FRI unsolicited proposal. Several questions were raised on the proposal to which FRI responded in their November 6 letter. A major issue for the FRI proposal was the role and involvement of WARDA, the major West African institution concerned with rice. The cabled WARDA reactions to the FRI proposal were not positive, primarily because there was not opportunity for face-to-face discussions on the purpose and intent of the FRI proposal. Since AID/W representatives believed the proposal addressed an important area for AID research, the AID Field rep to WARDA continued discussions with Mr. Jacques Diouf, Executive Director of WARDA, through December. This led to an offer by WARDA to meet with FRI reps in January. Dr. Pearson met with Mr. Diouf in Monrovia for the week of January 19-23 (the trip financed by FRI). These discussions resulted in the signing of a Memorandum of Understanding dated January 23, 1976 between FRI and WARDA which expressed enthusiastic support for the research project.

For WARDA, the FRI study will produce an in-depth study of intra-regional trade of rice within West Africa by December 1977. This study will respond to a resolution passed at the December 1975 meeting of the Governing Council of WARDA for such a study by the biannual meeting in December 1977. This study is item II.A.4.(a) above. Mr. Diouf in discussions with AID/W representatives in Washington in February reiterated his strong support for the FRI proposal emphasizing the mutual advantages of collaboration, and the need for the intra-regional trade study, which he said WARDA needed external assistance to prepare.

FRI will obtain the detailed collaboration with WARDA, which must provide the technical information on which the study will be based. Although WARDA's social science capability is limited, WARDA has established a strong capability

in the technical areas to which the FRI economics competence complements excellently

The Ghana study will complement the broader based WARDA study. AID/W representatives discussed with Mr. Diouf the separate proposal for the Ghana study because Ghana is a member of WARDA, and cooperation between Ghana Government and WARDA is necessary to carry out both studies. Mr. Diouf concurred in principle with the Ghana study though he had not yet held discussions with Ghanaian officials.

The USAID/Ghana, and the AID representative to WARDA strongly support this project.

IV. OBJECTIVES AND IMPORTANCE OF THE STUDY

A. Goals and Outputs

AID/W has been considering for over a year a strategy for developing relevant research on important crops for the continent of Africa and therefore the unsolicited FRI economic rice study proposal was sent to AID at an opportune time. It will address an important component of the food crop spectrum. AID has been heavily involved, in funding technical research on food crops as evidenced by the Major Cereals Project and rice research through WARDA. There still exists, however, a major need for more economic research especially micro-economic research at the production level. AID has been discussing with consultants, international institutes, and host governments, a research program on food crops, primarily sorghum/and maize in the semi-arid areas of Africa. Currently, there are three proposals under consideration from Purdue as follows:

1. A Tentative Proposal for Research on the Costs and Benefits from Small Irrigated Perimeters and Supplementary Irrigation in the Sahelian Countries.
2. A Tentative Proposal for Research on Economic Evaluation of Mechanization Alternatives for Central and West Africa.
3. A Tentative Proposal for Research on the Economics of Sorghum and

Millet Production in the OMVS Region.

Also, Michigan State has submitted a proposal for "Agricultural Economics Services and Applied Research Studies in the Sahelian Region of West Africa" which includes components on "Food Policy in the Sahel" and "Economics of Animal Powered Mechanization for Small Farmers in the Sahel". Each of these will give some consideration to rice but the primary focus is millet and sorghum.

The FRI rice study complements the studies and research in these other important food crops and will fill an important gap in the Bureau's overall research package.

In attempting to analyze whether or not AID should fund the rice study, its importance to the countries involved and future AID programming must be considered. With respect to the countries involved, rice is becoming increasingly important in the diets of the people, especially in urban areas. Population growth plus increased urban migration have resulted in the rapid expansion of urban areas which, in turn, has increased the demand for rice. The continued inability of the local producers to meet this growing demand has resulted in large quantities of rice being imported. The loss of foreign exchange resulting from these imports is causing serious problems in some countries, especially those in the Sahel. For instance, Senegal imported 373,000 MT of rice in 1972 and 250,000 tons in 1973 and spent 20% of its foreign exchange in those years for rice and bread wheat to feed its cities. Research into the production possibilities for rice certainly seems justified.

The countries would also benefit as a result of the bilateral collaborative arrangements described in the proposal. The capacities of host country institutions to plan and execute agricultural economic research would be enhanced. In addition, collaborative arrangements on a regional basis would be attempted. WARDA is an appropriate vehicle in this case.

From an AID (and other donor) standpoint, there is a continuing problem of how to evaluate the need for and feasibility of proposed projects in the absence of basic data and analysis. Many of the large scale proposals for projects in the Senegal River Basin and the Niger River System involve rice because the projects are capital intensive and thus require a high value crop, and the increased demand for rice has resulted in a need to import. (WARDA estimated in March 1974 that the planned capital expenditure for /rice development projects totalled \$360 million through 1980 for 500,000 hectares, which figure has been revised upwards since that date) The ability to evaluate such proposals not only requires an adequate data base but also, analysis of the appropriate level of technology or technological package to use. This question arises in two different contexts. First, should rice production in West Africa be capital intensive or labor intensive? Secondly, regardless of whether it is capital intensive or labor intensive, what is level of technology or package required? The Stanford FRI study will provide /inputs to/these questions and, given the critical need for additional / information could not be more timely.

AID also has an interest in the economic relationships and trade-offs between rice, cash crops, and other cereals especially as they affect decisions to participate in agricultural production projects. While this area is not the specific focus of the study, it will be considered and valuable insights should result, especially at the policy level.

Finally, AID and the host countries have a continuing need for baseline data which can be built upon and utilized year-after-year. The study is not only designed to utilize existing secondary data but, will also involve primary data collection. At the conclusion of the study, a data base will exist which can be used many times in future analyses. The countries can also utilize this data base and the methodology used to establish it to design a system for collecting new

information on a regular basis.

B. Relationship/Support for WARDA

Mr. Diouf has pinpointed the importance of the intra-regional trade study for WARDA in responding to the Governing Council of WARDA's 1975 resolution for a study to be presented at the December 1977 meeting. AID policy has been to support WARDA as a regional organization to assure an integration of national rice planning into a rationally broader region-wide focus. WARDA's main effort and competence to date is on the technical side. Professor Robert F. Chandler, an internationally recognized consultant to the Canadian IDRC, prepared a report on WARDA dated 7 December 1975 which included a recommendation which the FRI study would address. Dr. Chandler said:

"I would recommend that the economists on the staff pay attention to the entire area of the economics of rice culture, including not only water management but the whole gamut of factors from land preparation to the finished product and to the further problems of storage and marketing".

The FRI study with which WARDA will collaborate will provide WARDA with a product, and a capability to assist in the important regional rice decisions, without which WARDA's role will be significantly diminished.

C. Ghana Study

Rice is an increasingly important commodity for Ghana's food supply. The Ghana study will be important in increasing the research capabilities of the Ministry of Agriculture and to fill a gap in research on agriculture issues which directly offset the small farmers and rural development. The study will help the GOC determine (i) if Ghana should rely on imports because its rice is produced inefficiently, (ii) to what extent existing techniques of production result in undesirable income distribution effects and should be changed to provide greater

equity, and (iii) the importance of foreign exchange saving through promotion of local production even if Government subsidies might be required.

The Ghana study will also provide an in-depth analysis of the range and interrelationships of economic activities related to rice which will have importance for the other countries of WARDA as they proceed both on a national and within a regional framework in the development of rice development policies and programs.

V. TECHNICAL ANALYSIS

As indicated earlier, FRI conducted a study similar to the proposals for West Africa and Ghana for AID in Asia. They propose to use basically the same methodology in these studies with the exception that significant in-depth survey research will be required to provide micro-level data for West Africa and Ghana whereas in Asia a stronger data base existed before the study began.

The studies of government policies affecting rice will be done using descriptive analyses. Existing policies and policy alternatives will be examined in terms of their interaction with the government's objectives and constraints to fulfilling these objectives.

The micro-economic analyses of rice production, milling, marketing, and consumption will be done using various methodologies. As an example, part of this analysis will involve comparing alternative methods of increasing production of rice against continuing or increasing imports. To do this, FRI will employ the domestic resource cost (DRC) approach. Essentially this approach evaluates the opportunity cost of domestic resources to be used in increasing production against foreign exchange savings resulting from import substitution, on the basis of shadow pricing where appropriate. Thus, one can choose the production alternative which is most efficient from a foreign exchange standpoint.

Finally, FRI will use comparative analysis among the WARDA countries in terms of policy, consumption, trade prospects and patterns, etc. They will make a similar analysis on an international level incorporating the results of their Asian analysis.

The approach and methodology used in the Asian studies and proposed for the West African and Ghana studies has been examined internally by AFR/DS and by a technical committee of Agency personnel. (Technical Committee's report is Annex V.) Basically, the approach and methodology were judged to be sound. In addition, the presentation of the Ghana segment as a separate proposal creates no technical problems as the approach and methodology proposed for both studies is similar. The Ghana study will utilize much more in-depth survey research than will be possible in any single country in the West African proposal and this is reflected in the relative costs of the studies.

An integral feature of the FRI proposal is the establishment of a research network including collaborators from the member countries. WARDA will participate directly in the study and will assist in establishing working relationships with organizations in member countries.

The Stanford Food Research Institute appears to be uniquely qualified to perform the proposed study because of their involvement in a similar study in Asia which is currently being completed. In addition, as indicated in the proposal, Stanford has more than two decades of experience in research on African agriculture in both Anglophone and Francophone countries.

The three principal and associate investigators, Drs. Pearson, Falcon, and Stryker are extremely well qualified to conduct such a study. In fact, Dr. Stryker has already done considerable research on rice in West Africa with the World Bank primarily in the Francophone countries, and Dr. Pearson has carried out extensive research in the Anglophone countries. Dr. Falcon was the principal

investigator in the Asia study, and also has significant field experience in Africa.

In addition to the principal investigators, FRI will have 6 additional researchers working in West Africa for at least one year. Two of these researchers will already hold Ph.D.s in economics or agricultural economics and the other four will be doctoral candidates. Finally, FRI will invite African students wishing to conduct thesis research to affiliate with the project.

The Africa Bureau technical review committee did raise three technical issues which must be considered. These are included in the committee's report (Annex V) and in the attached issues paper with proposed solutions. No problems are anticipated in resolving these issues with FRI.

VI. FINANCIAL ANALYSIS

A. Financial Requirements

The cost estimates for the study are summarized below. The details for each study are presented in Annex VI(A) and Annex VI(B).

WEST AFRICA RICE RESEARCH COST ESTIMATES

	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>TOTAL</u>
FRI West Africa Study	\$ 132,206	\$ 249,174	\$ 221,457	\$ 602,927
Ghana Study	53,600	78,900	22,500	155,000
Contingency	<u>4,104</u>	<u>6,926</u>	<u>6,043</u>	<u>17,073</u>
TOTAL	\$ 190,000	\$ 335,000	\$ 250,000	\$ 775,000

The project committee has reviewed the cost estimates and find them reasonable.

The total cost of the two components of the research project is \$775,000 of which the funding requirement for FY 76 and FY 77 is \$525,000. However, the

USAID/Ghana Mission has \$50,000 to allot to the Ghana study from its economic development project, which leaves a total of \$475,000 to be allotted for FY 76 and FY 77.

WARDA will collaborate with FRI in the execution of the study, but will not make any explicit financial contribution to the activity other than assignment of staff. If studies and survey work are required, these will be financed by FRI under the terms of its contract with AID.

The GOG will also assign people to work closely with the Stanford personnel, but the major financial burden of the Ghana study will be borne by AID.

B. Financial Arrangements

The research project will be financed as a new activity under the Rice Research and Production Project (698-11-190-382). The FRI study will be financed, as an AID contract, as one component of the activity to be administered by AFR/DS until the AFR Bureau reorganization takes effect or by AFR/RA. After the reorganization, responsibility for the project will rest with AFR/RA, AFR/DP or AFR/DR dependent upon the division of responsibility for projects of this nature.

The Ghana study will be carried out under Personal Services Contracts with the Ghana Mission which will administer that component of the activity.

The approval of this rice research activity will require a notification to Congress. This will go forward as part of an amended description of the Rice Research and Production Project, which will also be revised to include the expanded Mopti Rice Research activity now proposed for approval.

VII. EVALUATION PLANS

FRI will be providing a report and recommendations on the personnel, training, and funding requirements to address WARDA and Host Country capacity to continue the economic research initiated by the FRI West Africa study. This

report will be provided about six months after the start of the study. AID plans to hold consultations with FRI and appropriate other personnel to evaluate this report and incorporate recommendations as necessary in future planning.

AID will also hold an overall review of the project in September/October 1977 either in AID/W or in the Field to discuss progress of the study, difficult areas for implementation and problems with the research. This review will be a decision point for proceeding with the final FY 78 tranche of funding.

During the course of the study AID will receive semi-annual progress reports

The project will produce several micro-analysis and technical studies in the various countries, a broad based study on intra-African trade which will be used by WARDA, a study of West African rice in an international perspective, and a final overall West Africa report, including a non-technical summary with recommendations for future project design and further work. The project will also produce the study in Ghana including its numerous sub-components.

The technical studies produced can be readily counted, read, and evaluated in terms of quality of work, impact on major rice decisions in West Africa and possible future interventions in some aspects of rice production, processing, marketing, and consumption patterns. More difficult to evaluate will be the impact of the study on WARDA, Ghana and other host country capacity to continue the social science research after the Stanford personnel complete their work.

VIII. RECOMMENDATIONS

That you approve the Rice Research study in West Africa for \$775,000 including (i) \$620,000 to fund the unsolicited research proposal from FRI to carry out the study of the Political Economy of Rice in West Africa in collaboration with WARDA and (ii) \$155,000 to finance "An Integrated Analysis of Rice Production, Processing, Marketing, and Consumption in Ghana".

APPROVED _____

DISAPPROVED _____

DATE _____

ANNEXES (WARDA/FRI)

- I. Memorandum of Understanding Between FRI and WARDA Signed January 23, 1976
- II. FRI January 30, 1976 Unsolicited Proposal for Study of Political Economy of Rice in West Africa
- III. Proposal to USAID/Ghana for "An Integrated Analysis of Rice Production, Processing, Marketing and Consumption in Ghana
- IV. Bio-Data on Principal Researchers
- V. Report of AID Technical Committee
- VI(A) Cost Estimates for FRI West Africa Study
- VI(B) Cost Estimates for Ghana Study

Drafted:AFR/DS:3/12/76:mj

PD-AAI-589-C1

UNITED STATES GOVERNMENT

Memorandum

6890382 U(3)
Meeting - 3:30 3/22
on these issues

TO : AFR/DS, Mr. Steve Klein
FROM : AFR/DP, Robert G. Huesmann *MA*
SUBJECT: Stanford Rice Research Proposal

DATE: MAR 18 1976
Klein's off.
AH
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I think there are several more fundamental issues on the Stanford proposal than the issues paper presents. The issues paper seems in fact to assume approval of the proposal essentially as is, with issues dealing mainly with fairly minor implementation questions.

The most basic question which the ECPR needs to ask is whether the present proposal will give AID the answers it needs to program rice (and other food crop to the extent they are related) research and production projects over the next 5-10 years, in accord with the current legislation. To do that, it seems to me that the proposal needs to focus on small farmer rice production. However, there is no information or analysis in the proposal to indicate to what extent, or in which countries, or under which type of culture, rice is a small farmer crop. Nor does it indicate the buyer profile for rice. If, as I suspect, rice is generally a middle/upper income food, then AID's rationale for assisting rice production must lie more in the income effect on producers. Hence the importance of the producer profile question. A related issue on which there is no information in the proposal is the extent to which rice is self-consumed, and thus enters into the self-sufficiency equation.

I think the ECPR ought also to at least consider why we are entertaining a proposal for \$800,000 worth of research on any crop other than sorghum, millet or maize. Does (should) rice really have the priority this proposal implies? Raising this issue doesn't mean that I don't think we ought to consider the Stanford proposal, but I do think we ought to think about whether some or all of the rather substantial (and, apparently, capable) Stanford resources should be applied to other, higher priority crops.

Also, the question of crop priorities may influence our views on the nature of the Stanford research on rice, to the extent that rice and the other basic cereal crops are either production or market alternatives to rice.

Finally, I get the impression from the Stanford proposal that very little if anything has been done on rice economics in West Africa. For a proposal of this magnitude, I would have expected some sort of overall review and assessment of the existing literature.



In short, the proposal does not tell me why we should research rice, what it is about rice we should research, or that previous research has left \$300,000 worth of gaps which we find it essential to cover.

I think a thoroughgoing discussion of the above issues, whatever the outcome regarding this specific proposal, would help the Bureau to begin sharpening up our research priorities and get some idea of what kinds of data we think are essential to make sound decisions on research proposals whether solicited or unsolicited.