

COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMISSION COMMUNICATION TO THE COUNCIL

Inclusion of cowpeas (niébé) in the list of products
covered by the Stabex system

Draft

DECISION OF THE ACP-EEC COUNCIL OF MINISTERS

adding cowpeas to the list set out in Article 25(1)
of the second ACP-EEC Lomé Convention

Draft

DECISION OF THE ACP-EEC COUNCIL OF MINISTERS

applying the Stabex system to exports of cowpeas
from Niger to other ACP States

COM(84) 35 final

Request from Niger

- (i) for inclusion of cowpeas (niébé) in the list of products covered by the Stabex system (Article 26 of the second Lomé Convention);
- (ii) for application of the system to exports of cowpeas from Niger to other ACP States (Article 27 of the Convention).

Commission communication to the Council

I. SUBJECT OF THE REQUEST

1. The request made by Niger in a letter dated 22 January 1983 (see Annex 1), backed by the Group of ACP States in a letter dated 25 April 1983 (see Annex 2), takes the following form¹:
 - (i) pursuant to Article 26 of the second Lomé Convention, it is requested that cowpeas should be included in the list set out in Article 25(1);
 - (ii) pursuant to Article 27 of the same Convention it is requested that not only exports to the Community but also exports to other ACP States should be covered by the Stabex system.
2. By Decision No 4/83 of the ACP-EEC Council of Ministers of 20 May 1983, the power to take decisions concerning this request was delegated to the ACP-EEC Committee of Ambassadors.

II. EXAMINATION OF THE REQUEST

3. This report examines the conditions surrounding the twofold request relating to cowpeas. It refers to Niger as well as the other ACP cowpea-producing states which provided information (Gambia, Upper Volta, Mali and Senegal).

1. Examination of the conditions laid down in Article 26

1.1 Economic dependence of ACP States with an interest in cowpeas

4. Article 26 states that the economies of one or more ACP States must

¹ Niger had made a transfer request for the 1981 financial year for beans (including cowpeas), along with a simultaneous request for exports of cowpeas to other ACP countries to be covered. As cowpeas (beans of the "vigna" type) do not come under the heading "beans" in the Stabex system (No 42 of Article 25(1), which is limited to the "phaseolus" type), this twofold request had to be refused, as it was obviously based on a misunderstanding.

depend "to a considerable extent" on the product in question. In the case of cowpeas, the situation is as follows:

NIGER (see Annexes 3 and 4, Table I)

According to the data provided by SONARA-Niamey, the cowpea is one of the country's most important foodcrops. It accounts for one third of the total cultivated area (3.5 million hectares in 1980)¹.

An agricultural diversification programme for legumes was launched in the seventies, and the cowpea is the main legume grown². This development is reflected in the considerable increase in the total area given over to cowpeas and, to a lesser extent, in total production since 1977 (Table I, Annex 4) - nearly 280 000 tonnes in 1981. As far as exports are concerned, the following should be noted.

- (i) as the cowpea is primarily a foodcrop for local consumption, exports are less important, in terms of both volume and value (see Tables I and II, Annex 4). Only a very small share of production is exported, varying between 28% (1980) and 1% (1979)³.
- (ii) Taking the cowpea's share of export earnings in relation to total exports of all products, its importance for Niger's export earnings also fluctuates considerably (see Table II, Annex 4), varying between 7.9% and 0.4%. Moreover, in only two of the seven years recorded was its share higher than the 2% dependence threshold established for Niger (Article 46(1)).

¹ According to Niger's own statistical sources reproduced in: Statistisches Bundesamt, Wiesbaden: Länderkurzberichte. Niger 1983.

² Comparison of the figures in Table I (Annex 4) with the legumes production series reproduced from the source given under 1. The lowest and highest quantities exported are 2 000 t (1982) and 64 000 t (1980).

³ Consequently, SONARA's statement in its information memo (Annex 3, last sentence of the first part, "production") cannot be confirmed.

(iii) As shown by the data produced by SONARA, exports of cowpeas from Niger go exclusively to other ACP neighbouring countries. The Community does not import cowpeas.

UPPER VOLTA

According to the information available, the cowpea is grown as a catch crop. There are no production statistics. Exports of about 800 t per year (1979 to 1982) account for between 0.04% (1981) and 0.43% (1982) of total export earnings. They go exclusively to ACP countries in the region (Benin, Ghana, Ivory Coast, Niger, Nigeria and Togo).

SENEGAL

According to the information available, cowpea production in Senegal amounts to about 20 000 t per year and goes towards feeding the local population. Any exports are part of traditional border trade (e.g. to Gambia) and can be considered to be negligible.

GAMBIA

There is hardly any traditional cowpea production in Gambia. Some attempts have been made (without much success so far) to introduce the product within the framework of agricultural diversification. There is some demand from immigrants, which is covered by spontaneous imports from Senegal.

MALI

Here too, cowpeas are consumed locally. No statistics have been drawn up. There is probably a certain amount of informal border trade.

5. To conclude, for Niger alone there is a certain amount of economic dependence on cowpeas, particularly if account is taken of the expansion of production and the importance of cowpeas for feeding the population.

From the point of view of exports, Niger's dependence on cowpeas is much less significant, although not negligible. At this fairly low level there are marked fluctuations in the annual rates of dependence. The inclusion of cowpeas in the Stabex system is of no interest to the other ACP producer States.

1.2 Examination of fluctuations

6. Article 26 also provides that the product for which a request is made for inclusion under Stabex should be "affected by sharp fluctuations".

In the case of cowpeas grown in Niger, it can be seen that neither the areas given over to cowpeas nor the total production were subject to significant fluctuations during the period in question (see Table I, Annex 4).

7. However, it can be seen from the available data (see Table III, Annex 4) that there are considerable annual variations in export earnings. Similarly, actual fluctuations calculated on the basis of Articles 36 and 37 reached a very significant level (in the region of 60%) in two of the three years for which the reference level can be calculated.
8. An analysis of trends in quantities and unit values shows that variations in the former are more marked than variations in the latter. Fluctuations in annual earnings (compared with the previous year) can be explained in each of the cases examined by accompanying drops in the quantities exported rather than by trends in the average prices obtained for exports.

9. To conclude the survey of fluctuations in export earnings, it is clear that exports of cowpeas from Niger are extremely volatile. This can be explained by local food requirements, exports being of a residual and incidental nature only.

2. Cost of including cowpeas in the Stabex system

10. In view of the fact that exports of cowpeas from the other ACP countries are negligible, the system will not have to bear any costs for those countries for the duration of the second Lomé Convention.
11. In the case of Niger, the inclusion of cowpeas would have increased by 1% the total losses on export earnings to be covered by Stabex, that is 4 990 000 ECU for 1981 and 3 940 000 ECU for 1982. However, the 1982 figure would not have given rise to a transfer as the dependence threshold was not exceeded.
12. Taking these results into account, and particularly the fact that the dependence threshold has not been exceeded on a continuous basis (see point 4 on page 2), the Commission estimates that the additional cost to be covered between now and the end of the second Convention (i.e. for the 1983 and 1984 years of application) could be in the region of 5 million ECU.

3. Statistical problems

13. The only statistics available for measuring exports of cowpeas from Niger are those provided by Niger itself. In view of the fact that this product is not imported by the Community, the procedure for cross-checking statistics laid down in Article 30(2) of the Lomé II does not apply.
14. Generally speaking, the export statistics submitted by Niger seem to be complete and reliable. However, it would be useful, pursuant to Article 45(1), to establish practical ways of ensuring that the system functions efficiently.

4. Conclusion

15. It follows from the foregoing that exports of cowpeas from Niger are not of primary importance at the present time. Nevertheless, they are subject to significant fluctuations and the dependence threshold has been reached in certain years. Moreover, this product could be used to an increasing extent for economic development purposes, such as diversification of the country's agricultural production and exports, the expansion of intra-ACP trade and, in particular, increasing the region's degree of food self-sufficiency.
16. In the event of cowpeas being included, the additional cost to be covered by the Stabex system over the period 1983-85 would be limited. Leaving aside exceptional circumstances (such as occurred in 1980 and 1981) the additional financial burden could be covered by the existing system's funds.
17. To conclude, in view of the potential specific importance of cowpeas and the fact that no insurmountable financial problems would be created by its inclusion in the Stabex system, it is suggested that a favourable response should be given to the request with a view to backing up the potential development of cowpea cultivation in Niger and intra-ACP trade, by protecting it - to the extent guaranteed by Stabex - from fluctuations in export earnings.

REPUBLIC OF NIGER

Niamey, 22 January 1983

MINISTRY OF TRADE

MINISTER OF TRADE

To the Director-General for Development
Commission of the European Communities
Rue de la Loi 200 - 1049 Brussels

Sir,

I have the honour to refer to our discussions in Niamey when we raised the question of Niger's request for a Stabex transfer.

After the checking of statistics by Niger and the Commission of the European Communities it appeared that Niger was eligible for a Stabex transfer as compensation for loss of earnings from exports of shelled dry beans or cowpeas (Niébé) in 1981.

So that Niger may receive this transfer, I have the honour to ask you to have dry beans or cowpeas included in the list of products covered by the Stabex system.

I enclose an information memo on the growing of cowpeas in Niger to supplement the transfer request which has already been submitted by the Embassy of Niger in Brussels.

May I take this opportunity of renewing, Sir, the assurance of my highest consideration.

Signed

HAMID ALGABID

5. Entry into force

18. In view of the fact that Niger's twofold request was submitted in January 1983, the application of Articles 26 and 27 of the Convention to cowpeas should take effect on 1 January 1983, so that 1983 would be the first financial year for which a transfer request could be made.

III. PROPOSAL FOR A DECISION

19. In the light of the above, and by virtue of the consultations provided for in Article 1 of the Internal Agreement, the Commission proposes that the Council should adopt the Community common position as follows:
- (i) to include, pursuant to Article 26 of the second Lomé Convention, the dry beans known as cowpeas (*Vigna unguiculata* or *sinensis*) in the list set out in Article 25(1) of the said Convention and to give its agreements to this effect on the text of the joint decision (see Annex 5);
 - (ii) to apply Article 27 of the same Convention to the product concerned and to give its agreement to this effect on the text of the joint decision (see Annex 6).

African, Caribbean and
Pacific Group of States
(ACP Group)

Brussels, 25 April 1983

Reference 66/6 (Vol. II)

Mr Dieter Frisch
Director General
Direction General VIII
Commission of the European Communities
200 rue de la Loi
1040 Brussels

Sir,

On behalf of the ACP Group I have the honour to submit to you Niger's request relating to the inclusion of cowpeas in the Stabex system.

You will no doubt recall a previous request from this country that the intra-ACP arrangements should apply to exports of this product. In view of the fact that Niger is one of the least developed ACP countries I should be grateful if you would give your immediate attention to the request for the inclusion of cowpeas on the list of Stabex products.

Please accept, Sir, the assurance of my highest consideration.

Signed

T. Okelo-Odongo
Secretary General

CULTIVATION OF BEANS IN NIGERPRODUCTION

The term haricot bean describes several types of food legumes which are consumed as seeds or green pods:

- Haricot bean: *Phaseolus vulgaris* L
- Lima bean: *Phaseolus lunatus* L
- Cowpea (Niébé): *Vigna unguiculata* (L) Walp.
- Mung bean: *Vigna radiata* (L) Walp.

This product is grown extensively in West Africa and is found in Nigeria, Niger and Upper Volta, and to a lesser degree in Senegal.

In Niger it is the main food legume grown. It is the third most important crop as far as area and tonnage are concerned after millet and sorghum (see Annex I for areas given over to cowpeas from 1978 to 1982). The dry bean (known by its local peulh name - Niébé) is not consumed locally in large quantities and is mainly exported to the countries situated south of Niger (Nigeria, Benin, Togo and Ghana).

MARKETING

Floor prices paid to producers in Niger are laid down by the Ministry of Trade at the beginning of the marketing year. They increased from CFAF 45 per kg in 1978 to CFAF 65 in 1981.

Marketing is mainly carried out by producer cooperatives, backed by the Union Nigerienne de Crédit et de Coopération (UNCC). The cooperatives hand over the goods to SONARA, which stores them for several months if necessary and carries out any processing required for their conservation.

IMPORTANCE OF COWPEAS IN NIGER'S ECONOMY

Through the marketing of cowpeas significant sums are injected into the rural community, thus enabling peasant farmers to acquire the means of production necessary for improving all the other crops.

Moreover, exports of cowpeas play a significant role in Niger's balance of payments, where this product occupies a leading position with an average of 2 500 million from 1977 to 1980 (see Annex III for the situation of exports of dry and green beans).

These exports are divided into two categories:

- (i) exports of beans in pod to Europe only
- (ii) exports of dry beans to ACP States only (see Annex III).

Hence most of Niger's exports of haricot beans concern intra-ACP trade.

In view of this product's importance in Niger's economy, it should appear on the list of products covered by the Stabex system pursuant to Article 25 of the second Lomé Convention.

[†] Information provided by Niger's Ministry of Trade in a letter dated 22 January 1983.

TABLE 1

Importance of cowpeas for Niger

(1) Year	(2) Area cultivated ha	(3) Production ¹ t	(4) Exports t
1977		207 045	48 994
1978	952 440	270 364	4 082
1979	944 400	288 062	3 884
1980	1 105 100	223 056	64 196
1981	1 215 278 ^E	279 003	4 481 ^{b)}
1982	1 439 927 ^E		2 208
1983			17 417 ^{a)}

Notes: ¹ The quantities given in the source concern the relevant agricultural marketing years (1977/78, 1978/79 etc). In the table they have been attributed to the first of the two years concerned by the marketing year, that is 1977/78 to 1977 etc.

^E Estimate, as indicated in the source.

a) Estimate based on tonnages from January to September, increased by the average normal share (4.3%) for October, November and December in the 1977-82 period.

b) Estimate based on the value of exports in 1981 and the unit value shown in the monthly notifications available (January to March and July to November 1981).

Sources: columns
(2)+(3): Ministry of Rural Development, Niger. Information sent by the Minister for Trade in a letter dated 22 January 1983.

column
(4) : Monthly statistics sent to the Commission of the European Communities by SONARA, Niamey, Niger. The 1981 figures are estimates based on the value indicated by SONARA, sent by the ACP Secretary General in a letter dated 16 April 1982.

TABLE II

Niger's dependence on exports of cowpeas

(1) Year	(2) Total exports of goods (CFAF '000)	(3) Exports of cowpeas (CFAF '000)	(4) Share of cowpeas in total (%)
1977	39 335 000	3 112 410	7.9
1978	63 706 000	325 007	0.5
1979	95 241 000	363 716	0.4
1980	119 523 000	5 582 155	4.7
1981	123 589 000	948 192	0.8
1982	109 400 000	701 214	0.6
1983	-	3 276 033 ^{a)}	-

Notes: ¹ Exports to all destinations. In fact, only quantities exported to other ACP countries are involved.

a) Estimate as for Table I.

Sources:

Column (2): IMF, International Financial Statistics, November 1983. The figures are similar, but not identical, to the figures transmitted by Niger in 1982, despite the fact that the source (the BCEAO) is the same. This could be due to subsequent revision.

Column (3): 1977-81: SONARA, Niamey, Niger. Information sent by the ACP-EEC Secretary General on 16 April 1982. The 1982 and 1983 figures are taken from monthly notifications sent direct to the Commission by SONARA, Niger.

TABLE IV: Cost of including cowpeas and the relevant intra-ACP exports in the Stabex system

(1)	(2)	(3)		(4)	(5)	(6)
Year	Exchange rate FCFA/ECU	Niger's export earnings from cowpeas		Gross losses compared with reference level ¹ ECU	Fluctua- tion rate %	
		CFAF million	ECU			
1977	280.34	3 112.410	11 102 268	-		
1978	287.49	325.077	1 130 742	-		
1979	291.54	363.716	1 247 568	-		
1980	294.20	5 582.155	18 974 014	-		
1981	303.37	948.192	3 125 530	- 4 988 118 ^{a)}	- 61.5	
1982	321.95	701.214	2 178 021	(- 3 941 443) ^{b)}	(- 64.4)	

Notes: ¹ Reference level pursuant to Article 36 of the second Lomé Convention. Percentage calculated in relation to the reference level.

a) This amount represents 1.1% of total transfer rights cross-checked for 1981.

b) This loss would not have given rise to a transfer, as the dependence threshold was not exceeded.

Sources:

Column (2): \$/ECU rate: Official Journal of the European Communities, annual averages;
CFAF/\$ rate: IMF International Financial Statistics, line rf.

Column (3): See Table III, column (2).

TABLE III

Degree of fluctuation of exports of cowpeas from Niger

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Year	Exports of cowpeas					
	Value (CFAF '000)	$\Delta\%^1$	Quantity (t)	$\Delta\%^1$	Unit value (CFAF '000)	$\Delta\%^1$
1977	3 112 410	-	48 994	-	63.526	-
1978	325 077	- 90	4 082	- 92	79.637	+ 25
1979	363 716	+ 12	3 884	- 5	93.645	+ 18
1980	5 582 155	+ 1435(!)	64 196	+ 1553(!)	86.955	- 7
1981	948 192	- 83/- 59.6	4 481 ^{b)}	- 93	211.603	+ 143
1982	701 214	- 26/- 61.1	2 208	- 51	317.579	+ 50
1983	3 276 033 ^{a)}	+367/+ 72.5	17 417 ^{a)}	+ 689	188.094	- 41

Notes: ¹ Variation in the amount for the year indicated compared with the previous year. For 1981, 1982 and 1983 the variations in value compared with the reference level, that is the average of the four previous years, are also indicated.

a) Estimate as for Table I, the relevant share on which the increase is based being 4.3% of the value.

b) Estimate as for Table I.

Sources:

Column (2): SONARA, Niamey, Niger. Information sent by the ACP Secretary General in a letter dated 16 April 1982. From 1982 onwards, same source as for (4).

Column (4): Monthly statistical notifications sent to the Commission of the European Communities by SONARA, Niamey, Niger. For 1981, estimates are based on the value (see (2)) and notes.

DRAFT

DECISION OF THE ACP-EEC COUNCIL OF MINISTERS

adding cowpeas to the list
set out in Article 25(1)
of the second ACP-EEC Lomé Convention

THE ACP-EEC COUNCIL OF MINISTERS,

having regard to the second ACP-EEC Convention signed on 31 October 1979,
hereinafter called the "Convention", and in particular Article 26 thereof,

whereas the twelve-month period referred in Article 26 of the Convention
has elapsed and the other conditions laid down in this Article have been
met for this product; whereas this product should be added to the list set
out in Article 25(1) of the Convention,

HAS DECIDED AS FOLLOWS:

Article 1

The following product shall be included in the list set out in Article 25(1)
of the Convention:

	<u>Nimexe code</u>
47. Cowpeas (vigna unguiculata)	(ex) 07.05.99

Article 2

The ACP States, the Member States and the Community shall be bound, each to
the extent to which it is concerned, to take the measures necessary to
implement this Decision.

Article 3

This Decision shall enter into force on
It shall apply to quantities of the product referred to in Article 1 exported
from 1 January 1983 onwards.

DRAFT

DECISION OF THE ACP-EEC COUNCIL OF MINISTERS

applying the Stabex system to exports of
cowpeas from Niger to other
ACP States

THE ACP-EEC COUNCIL OF MINISTERS,

having regard to the second ACP-EEC Convention signed in Lomé on 31 October 1979, hereinafter referred to as the "Convention" and in particular Article 27 thereof,

whereas the export earnings covered by the stabilization system are those accruing from exports by ACP States to the Community of the products on the list set out in Article 25(1) of the Convention;

whereas by virtue of Article 27 of the Convention, if so requested by one or more ACP States the Council of Ministers may decide, on the basis of a report established by the Commission of the European Communities, to apply the system to exports of products on the abovementioned list from the said ACP State or States to other ACP States;

whereas Niger has submitted a request pursuant to the said Article 27; whereas the Commission has drawn up a report for the Council of Ministers on this matter;

whereas the system should be applied to exports of cowpeas from Niger to other ACP States,

HAS DECIDED AS FOLLOWS:

Article 1

The Stabex system shall apply to exports of the following product from Niger to other ACP States:

	<u>Nimexe code</u>
Cowpeas (<i>vigna unguiculata</i>)	(ex) 07.05.99

Article 2

The ACP States, the Member States and the Community shall be bound, each to the extent to which it is concerned, to take the measures necessary to implement this Decision.

Article 3

This Decision shall enter into force on . It shall apply to quantities of the product referred to in Article 1 exported from 1 January 1983 onwards.

