



Poultry Meat Exports from the European Union to West- and Central Africa:

Comments on EU Answers to APRODEV Questions

We would like to thank you for the profound and detailed answers we got in December 2004. We have considered your points of view and the facts you have provided in our research activities concerning the causes and effects of the extensive chicken exports to Western Africa.

With the following comments to the answers we would like to introduce some additional aspects, which we regard as likewise instructive, to your evaluation. We will furthermore raise some new questions. At some points we evaluate some of your conclusions differently, relating to what we have learned in our investigations over the last two years.

The surveys quoted below as well as the ACDIC-survey show, that the relevant problems in West and Central Africa are related to a destructive trade, where products are exported into markets under conditions damaging to health and at prices with which the local producers can not compete.

Questions and issues to be addressed:

APRODEV in cooperation with EED, ICCO and SAILD/ACDIC
June 2006
Comments compiled by Francisco Mari (EED, Germany)

**Draft answers to:
EU Chicken meat exports to West and Central Africa
December 2004**

Foreword

The SAILD report highlights different issues relating to trade, food, health, consumers, private sector policies and questions the capacity of the Cameroon government to effectively design, monitor and implement such policies, taking into account producers, importers and consumers interest.

Regrettably, this is hardly unique or surprising, as lack of capacity and good governance are frequent constraints in developing countries, for which there are no simple or quick solutions at hand. Focussing on a narrow objective would be misleading and counterproductive.

Data provided in the report need to be completed in many respects and analysis improved before reliable conclusions can be drawn. The questions and answers below should assist in planning the additional work required for putting forward useful operational proposals. A dialogue should be established or deepened in West and Central Africa between the concerned civil society and private sector, the governments, exporters and the donors' community.

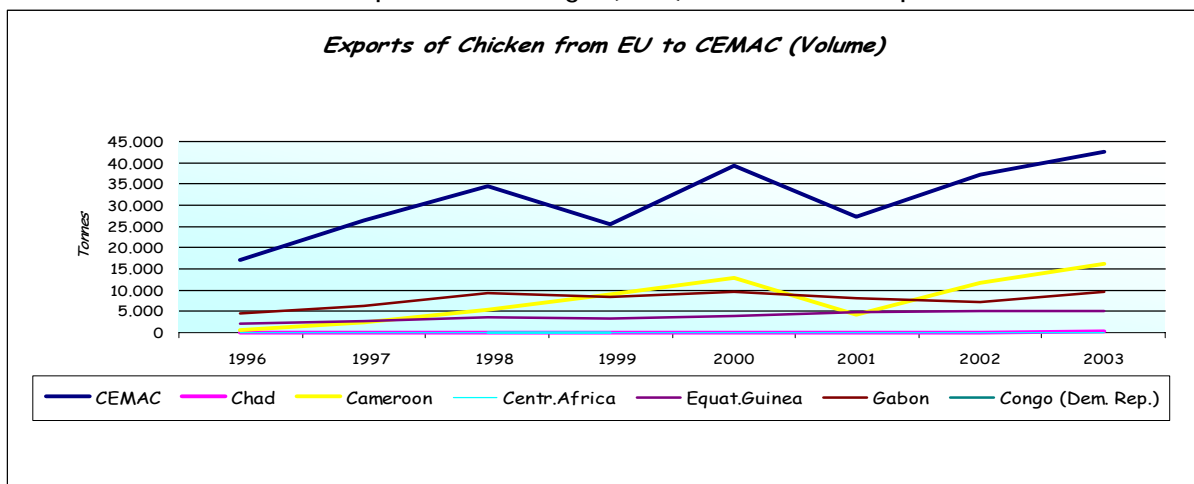
EPA are already addressing some of the concerns, as SPS measures and supply constraints have been identified as priority areas for negotiations.

1.) Trade

1.1. Is it correct that the **volume of export** of chicken meat to West/Central African countries has increased considerable in the last years?

EU - Answer:

Exports of chicken meat from the EU to West/Central African countries have increased from 29500 tonnes of chicken meat in 1996 to 128 500 tons in 2003. Exports of chicken from the EU to CEMAC¹ have increased from 17 000 tonnes in 1996 to 42 500 tonnes in 2003. Within CEMAC, chicken is mainly exported to Cameroon, Democratic Republic of Congo (RDC), Gabon and Equatorial Guinea.

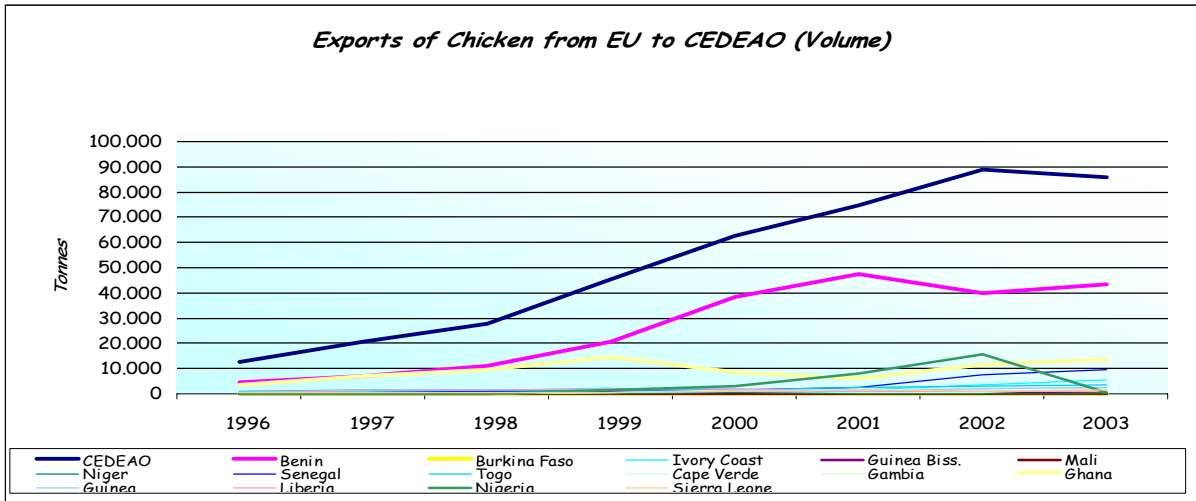


Source: Eurostat, COMEXT

Over the same period, exports of chicken from the EU to ECOWAS/CEDEAO² increased from 12500 tonnes in 1996 to 86000 tonnes in 2003, mainly to Benin, followed by Ghana, Nigeria, Senegal, Togo and Ivory Coast.

¹ CEMAC: Communauté Economique et Monétaire de l'Afrique Centrale (Chad, Cameroon, Centr. Africa, Equat. Guinea, Gabon, Dem. Rep. Congo)

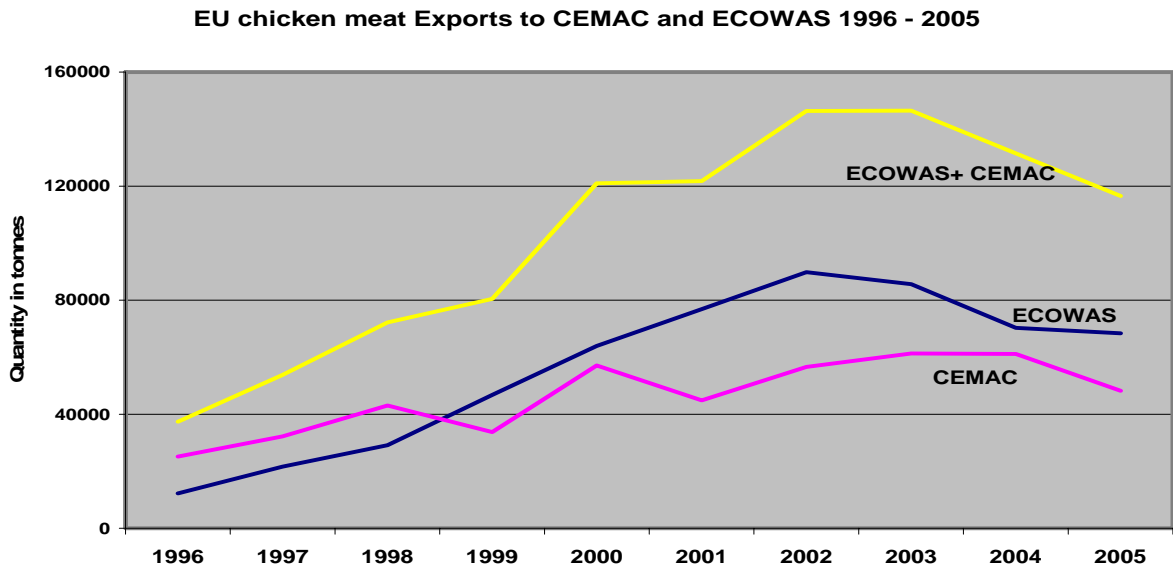
² CEDEAO: Communauté Economique des Etats de l'Afrique de l'Ouest (Benin, Burkina Faso, Ivory Coast, Guinea Biss., Mali, Niger, Senegal, Togo, Cape Verde, Gambia, Ghana, Guinea, Liberia, Nigeria, Sierra Leone).



Source: Eurostat, COMEXT

APRODEV Comment:

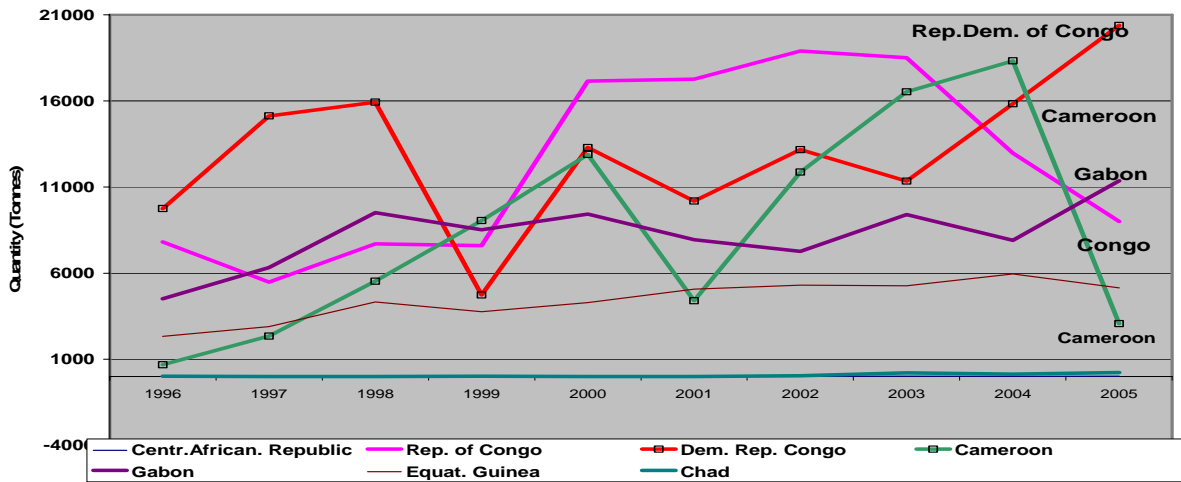
The increases in exports from the EU are shown accurately. Among the CEMAC member countries, however, the Republic of Congo is missing. The Democratic Republic of Congo has, like Sao Tome and Principe, joined the CEMAC only recently, as we are taking into account.



Source: Eurostat, COMEXT

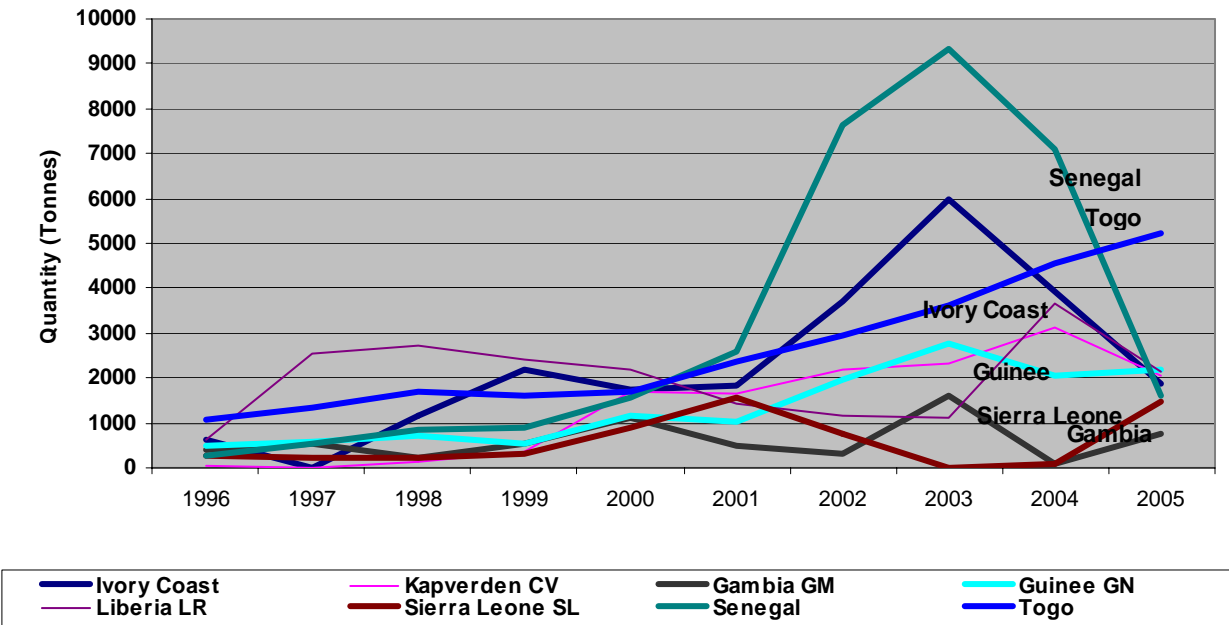
The export numbers for poultry meat in the two markets, CEMAC and ECOWAS since 2003 show, particularly in 2005, a new and different picture. The exports have risen - furthermore or recently - extensively in many countries e.g. in Ghana, Togo, Gabon or the Gambia. In other countries, especially those where civil society is demanding protective measures for local chicken production since 2004, the import figures have remarkably decreased, e. g. in Cameroon, Senegal, Nigeria and the Ivory Coast.

EU Chicken Meat Exports to CEMAC



I

**EU Poultry Meat Export to West Africa
-selected countries-**



Source: Eurostat, COMEXT

This can be explained by different but effective measures of the governments, reaching from a strict import ban, tariff measures to tax imports for the support of the local production (see explanations in point 4.1).

The total number of the exports from the EU into the CEMAC and ECOWAS markets has declined slightly because of this within the last two years, while new markets for cheap European poultry meat, however, have appeared after political crises, like Sierra Leone, Liberia and the DRC.

The base for the amounts of export from the EU is the European export statistics. Unfortunately, there are some considerable contradictions between the EU numbers and those published by the importing countries. Partially contradictory are also the figures published by different authorities of the countries concerned. The published figures cannot be taken as absolute, because of these variations.

There are further significant contradictions between the numbers of the EU and the numbers published by the FAO and the UN. The total import amounts for a country, as published by international bodies, are repeatedly lower than for instance just the amount of export from the EU to these countries alone, according to the EU statistics.³

1.2. Do the trade statistics allow sufficient differentiation of chicken meat classification (whole broiler/chicken, chicken parts and low quality meat).

EU Answer:

Trade statistical data are based on an international harmonized system of classification (HS)⁴ which is very detailed and permits to differentiate among whole chicken, chicken parts, fresh or frozen chicken. Concerning quality aspects, please, see point 1.6. below.

APRODEV Comment:

The export statistics in the codification system CN 8⁵, poultry section (0207), is very subtly differentiated and has 51 subclasses. The EU alone has, nevertheless, 5 different codices in use where chicken meat is classified.⁶ Depending on the coding system, different indications of quantity are the results, which concur on the trend but differ considerably in the details for particular years or sub-products. The comparability becomes more difficult between the particular codes at EU level and the details of the trade flows in the FAO and UN statistics. Only the UN statistics do distinguish whole chickens and chicken parts, while the FAO statistics do not.³

Statistical figures from the African import countries hardly ever include this distinction. As single countries are concerned, this is well also connected to different systems in use for notifying trade currents to the organisations

³ UN Commodity Trade Statistics Database (UN Comtrade), <http://unstats.un.org/unsd/comtrade>

FAO Statistical Databases, 2006, <http://faostat.fao.org/faostat/agriculture>

⁴ The Harmonized Commodity Description and Coding System, generally referred to as "Harmonized System" or simply "HS", is a multipurpose international product nomenclature developed by the World Customs Organization (WCO): <http://www.wcoomd.org/ie/En/en.html>

⁵ Eurostat, database, DS-016890 - EU25 Trade Since 1995 By CN8, <http://fd.comext.eurostat.cec.eu.int/xtweb/>

⁶ Eurostat, database, EU25 Trade Since 1995 By CN8, by HS 6, by HS2-HS4, by SITC and PRODCOM ANNUAL, <http://fd.comext.eurostat.cec.eu.int/xtweb/>

mentioned above. Some countries, or even the EU itself, do not include quantities and notify to the UN only the value of the exported products instead.³

The distinction between exported chicken meat and poultry meat is important, though occasionally not made in the statistics. But this hardly plays a role in the trade with most African countries, though. Turkey, duck, goose and other poultry meat from the EU is only in small quantities exported to West Africa.

With this subtle codification system CN 8, it can be proved beyond all doubt that actually only three or four product types of slaughtered poultry meat make up 90% of the exports of poultry meat to West Africa: namely, as to be seen below, code No. 02071190 for whole frozen chickens (export share: 25%), 02071420 for chicken quarter legs with at least 25% back part (export share 60%) and 02071430 for chicken wings (export share: 15%).⁵

With these figures connections could be proved, which show the actual problem and the extent of the threat of the local West and African producers. The threat becomes obvious at a disaggregated consideration of the quantities of particular product groups and the value of the exported goods.

The importance of these data will become apparent in the comment on EU answers in point 6.

The emergence of poultry parts has entirely changed the West African poultry markets. There were none of those products by the mid-nineties. The local poultry is - as a rule - sold alive, meaning as whole chicken solely.

Not only the attractive kilo price of the import poultry but also the fact that within the last few years the frozen poultry is imported increasingly as parts, does make it even more affordable for the consumers in West Africa. A product has been introduced to West Africa, against which the local poultry production can hardly compete, because so far there are no slaughter houses in the countries with facilities to produce chicken parts (see points 4 and 6).

Despite the distinctions in the form of processing (chicken parts vs. whole chickens) and in the method of sale (fresh, chilled or frozen), the EU export statistics⁵ lacks details on the quality of similar chicken meat and on minimum durability of the meat from the export day.

We do not mean with quality here the correspondence of the exported meat to hygienic and legal food regulations. This is examined in the slaughterhouses and a legal demand before export. The exported meat shall correspond to the same regulations as meat traded within the EU. (see point 2).

In the EU member countries, there are standard classes A, B and C for poultry meat. The "EEC regulation on marketing standards for poultry meat 19069/06"⁷ and the corresponding regulation⁸ define the standards A and B. Most member countries also have a standard C for meat for industrial processing.⁹ As a rule, the domestic European food trade does not offer standard B or even C classes to private consumers.¹⁰ Whether it is offered for export is not known.

⁷ Commission Regulation (EEC) No 1906/90, Article 2.1

⁸ Commission Regulation (EEC) No 1538/91, Article 6

⁹ <http://www.lebensmittellexikon.de/g0000310.php#KLASSEN>

¹⁰ <http://was-wir-essen.de/druckversion/gefluegel.cfm>

Furthermore the above-mentioned regulation describes the authorized freezing methods for poultry meat¹¹. Because of the high salmonella risks when defrosting the frozen meat, the method "immersion chilling: chilling of poultry of ice and water" is not used in German slaughterhouses.¹² We do not know which method for meat destined to export is actually in use. Particularly such a classification would have a special importance for the health risks of frozen meat under conditions of an unsafe cold chain (see point 2).

The product code details do not provide distinctions of quality classes and freezing methods, nor do they (as mentioned in the point 1.4) make a difference between chicken parts from broiler production and hen slaughters (bowling fowls). Unlike the EU has claimed in its answer, details are also missing in the statistics concerning different sorts of whole frozen chickens, like the differentiation between broilers and hens.

A further deficit of the statistics is the fact that the remaining storage ability of the frozen poultry meat is not included into the product code numbers, although this considerably affects the quality and marketing capacity of the products.

All these regulations and further identifications are fixed in detail by the quoted "Commission regulation (EEC) no 1538/91" in the intra-European trade.

Unfortunately, the primary "Commission regulation (EEC) no 1906/90" states in the article 1.3: "...this regulation shall not apply - to poultry meat for export from of the Community...".

This in our opinion is a contradiction to the regulations (see point 2) of the EU food laws, in which the internal community right is seen as valid for the exports to third countries also.¹³ If this is not the case, it would be reasonable if at least the quality differentiation should express itself in the classification by corresponding tariff lines.

1.3. Is it correct that EU-chicken meat (and chicken parts) is being sold on West African markets below the price of deep frozen chicken meat inside the EU ?

EU answer:

We do not have exhaustive data on prices of chicken meat in West/Central African markets. A benchmark can be provided by EU statistical data on the value of EU f.o.b.¹⁴ poultry meat exports to CEMAC and CEDEAO. In CEMAC the overall average price for poultry meat varied between 71.34 €/100kg in 1999 and 96.72 €/100kg in 1997. In CEDEAO prices received varied between 111.8 €/100kg in 1996 to 67,03 €/100kg in 2003.

TOTAL POULET	CEMAC		Unit Value €/100kg	CEDEAO		Unit Value €/100kg
	tonnes	1000 €		tonnes	1000 €	

¹¹ Commission Regulation (EEC) No 1538/91, Article 9

¹² www.deutsche-haehnchen.de/47.0.html - Die Kühlverfahren

¹³ Regulation (EC) N°178/2002

¹⁴ Exports are valued f.o.b. (free on board) before deduction of discounts and commission fees to foreign factors

1996	17.126	14.826	86,57	12.527	13.990	111,68
1997	26.289	25.427	96,72	20.546	20.597	100,25
1998	34.378	30.521	88,78	27.761	25.856	93,14
1999	25.593	18.259	71,34	45.656	34.391	75,33
2000	39.310	30.761	78,25	62.496	53.860	86,18
2001	27.211	26.139	96,06	74.797	71.425	95,49
2002	37.159	31.143	83,81	88.939	76.084	85,55
2003	42.511	31.802	74,81	86.098	57.713	67,03
Change%			-13,59%			-39,98%

Source: Eurostat, Comext

Furthermore, a comparison between the price of those exported and internally consumed products is rather difficult. Within the EU, chicken meat prices are usually given for "whole chicken 65%"¹⁵ that on average varied from 138.97 in 1996 to 144.82 €/100kg in 2003. Such averages hide substantial differences among member states, as it can be seen in the table below:

Prix de marché annuels

Poulets entiers (65%) (PRIX ANNUEL)

€/100 KG	1996	1997	1998	1999	2000	2001	2002	2003
BE - Belgique	153,23	148,50	135,68	117,51	138,87	146,33	128,32	145,33
DK - Danemark	126,25	128,53	123,96	113,23	120,13	130,71	112,21	143,54
DE - Allemagne	150,17	151,89	145,56	125,16	128,83	154,90	135,53	156,40
EL - Grèce	182,99	185,95	171,30	170,83	173,56	188,26	168,20	167,42
ES - Espagne	115,40	108,26	103,52	87,20	111,93	114,67	95,48	108,42
FR - France	125,53	115,91	144,37	144,88	155,21	174,87	159,84	174,21
IE - Irlande	172,40	189,89	185,56	184,23	181,07	194,54	200,00	196,18
IT - Italie	133,39	128,52	124,67	119,09	128,95	137,51	131,41	154,04
NL - Pays-Bas	135,58	137,08	130,73	112,81	116,41	139,28	119,54	141,04
AT - Autriche	176,52	174,13	171,74	163,26	168,96	181,53	180,16	177,62
PT - Portugal	144,64	140,10	125,83	117,17	138,00	136,97	126,57	138,76
FI - Finlande	188,14	187,69	189,16	186,02	190,41	199,36	201,32	197,93
SE - Suède	191,25	186,03	175,38	186,88	197,17	183,52	192,30	174,56
UK - Royaume-Uni	154,27	168,47	168,65	173,71	178,41	168,23	156,25	124,59
EU	138,97	138,56	140,24	133,27	143,20	151,82	138,12	144,82

Source: EU, DG Agri

APRODEV Comment:

We confirm the figures given above by the EU on the export prices the EU exporters receive from selling to African countries. They serve as an indication for the prices at which poultry meat from the EU can be sold at Western African markets.

From our own investigations we can quote the figures below. Different studies published lately and own market enquiries provided information to us about the consumer prices for chicken meat imported from Europe.

Retail Prices of chicken meat, produced in Europe, sold on domestic markets of EU members and in selected West and Central African countries:

¹⁵ While "Chicken 65%" means chicken without head and feet, necks, heart, livers and gizzards, "chicken 70%" means chicken without head and feet but with necks, heart, livers and gizzards.

2003	Europe ¹⁶	Germany ¹⁶	Ivory Coast ¹⁷	Cameroon ¹⁸	Senegal ¹⁹	Gambia ²⁰	Benin ²¹
Chicken Meat p.kg	2.43 €	2.63 €	0.82 € (whole broiler) 0.71 € (cuts)	1.52 €- 1.78 €	1.83 €	1.43€	1.52 €- 1.83 €

On these figures we base our statement that chicken meat in Europe is sold at a higher price than on the African market. This might partly be due to a different mix of chicken parts with varying values, and partly by private cross-subsidisation of different meat parts.

But as mentioned before, the average market price does not take into account the large differences in prices of the different chicken parts for the European consumers. The price margin lies between € 0.90 p. kg for boiling fowls and € 9.00 p. kg for boneless chicken breasts.

Much more decisive for the impact of the imports on the local poultry meat production in West- and Central Africa (see point 6), is a comparison of the above-mentioned import prices by the EU [(f.o.b.)] with the prices within the EU. It is important to carry out not only a comparison of the average prices, but also of the different prices of chicken parts.

For a better comparison of the EU internal and export prices, we take the following product classes as references. They represent approximately 85 % of the EU chicken meat exports to Western and Central Africa. 90% of chicken meat exported from the EU to West- and Central Africa is frozen.

CN 8 product classification²²:

02071420	FROZEN HALVES OR QUARTERS OF FOWLS OF THE SPECIES GALLUS DOMESTICUS
02071460	FROZEN WHOLE WINGS, WITH OR WITHOUT TIPS, OF FOWLS OF THE SPECIES GALLUS DOMESTICUS
02071470	FROZEN CUTS OF FOWLS OF THE SPECIES GALLUS DOMESTICUS, WITH BONE IN (EXCL. HALVES OR QUARTERS, WHOLE WINGS, WITH OR WITHOUT TIPS, BACKS, NECKS, BACKS WITH NECKS ATTACHED, RUMPS AND WING-TIPS, BREASTS, LEGS AND CUTS THEREOF)
02071290	FROZEN FOWLS OF SPECIES GALLUS DOMESTICUS, PLUCKED AND DRAWN,

¹⁶ This price is an average of the retail price for fresh (60%) and frozen (40%) meat and for chicken parts (70%) and chicken breasts (50% of all cuts). Data given in the chart "prix de marche annuelle" above are only for "65% whole frozen chicken", see also ZMP Eier & Geflügel Marktbilanz 2005, Bonn/Germany, p.211, table159

¹⁷ InfoSud Belgique (2004), Enquete impact des importations de volailles en Afrique d l'Ouest, Bruxelles

¹⁸ Bopda, Dr. Athanase ; Njonga, Bernard (2004), L'importation massive de poulet congele au Cameroun (etat des lieux, enjeux et alternatives), Yaundé p.78 and p. 53

¹⁹ Diagne, B. M. (2004), 'Study on the Economic Impact of Whole and Pre-Cut Poultry Imports on the Development of the Poultry Sector in Senegal', background report for Oxfam International: Oxford p. 28
InfoSud Belgique 38

²⁰ Ceesay, Mamadi B., Njie, Momodou and Jagne, Mamour A. (2005), The effects of importation of poultry meat and eggs on small – scale poultry producers in the Gambia, Study commissioned by Action Aid (The Gambia) and OXFAM International (The Gambia), page 16

²¹ Gbaguidi, Lionel Dr., Biadja, Eugene Dr., Importations de volailles et produit dérivés congelés au Benin :Impact socio Economique, Cotonou, Octobre 2004 , page 15
InfoSud Belgique 14

²² Eurostat, database, DS-016890 - EU25 Trade Since 1995 By CN8, <http://fd.comext.eurostat.cec.eu.int/xtweb/>

WITHOUT HEADS, FEET, NECKS, HEARTS, LIVERS AND GIZZARDS, KNOWN AS '70% CHICKENS', AND OTHER FORMS OF FOWL, NOT CUT IN PIECES

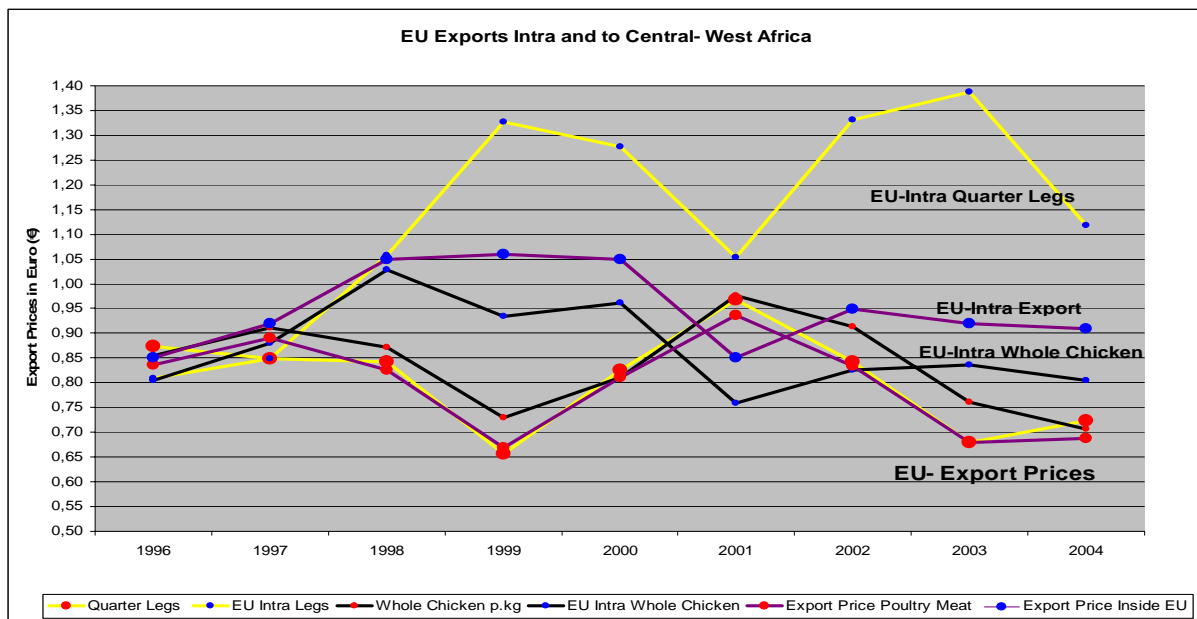
Since the Netherlands and France are the main chicken meat exporting countries to Africa, their average export prices to their neighbour countries are also listed.

EU – Intra and Export Prices of chicken and chicken cuts:

2004	EU Intra trade	EU to West Africa	NL to Germany	France to UK
Export Price Poultry Meat	0.92 €	0.68 €	-	-
02071420, Frozen Quarters	0.89 €	0.72 €	1.28 €	3.99 €
Frozen Wings 02071460	1.13 €	0.67 €	1.80 €	0.88 €
Frozen Cuts 02071470	0.32 €	0.57 €	0.24 €	0.72 €
0207190, Whole frozen Chicken	1.24 €	0.76 €	1.30 €	1.43 €

Eurostat²¹

There is a considerable difference in the pricing of the same chicken whether it is frozen or fresh. The European consumers buy meanwhile more than 60 - 70 % of the poultry meat freshly. The price difference between whole frozen chicken (€ 1.75) and fresh ones (€ 3.23) lies in 2004, e. g. in Germany, at almost 100%.²³ The frozen products are clearly the cheap ones, and their market prices are close to the production cost, with a very small profit margin. On top on this, they are even sold much cheaper as frozen products to Africa. The chicken cuts (offal, Code No. 02071470), saleable in Europe only at extremely low prices, are sold to Africa at even lower prices. There is the assumption that the chicken trade with Africa constitutes deliberate dumping.

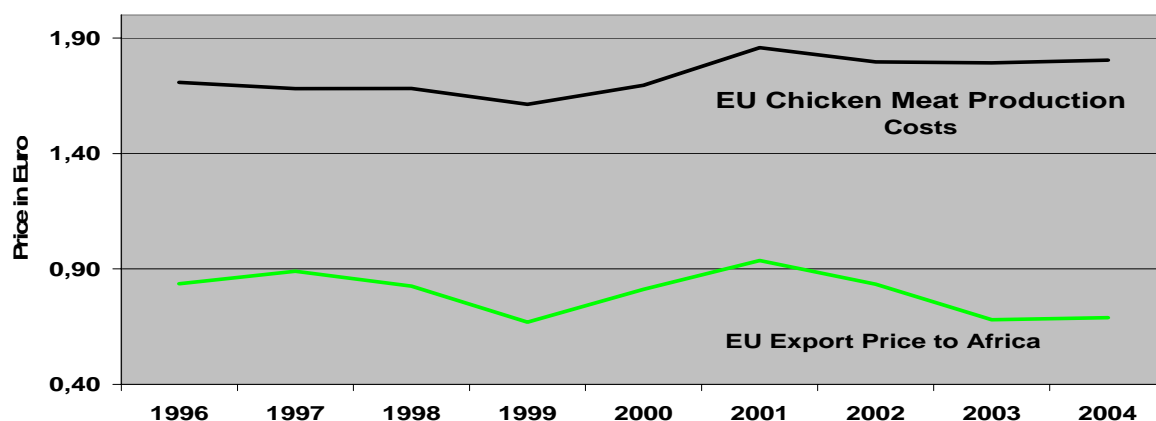


²³ ZMP 156 - 161

There is no logic explanation for these very low export prices, since there are - unlike for exports to the CIS or Gulf states - no export refunds for the traders. Most of this meat would achieve a higher price on the European market.

On top, the figures demonstrate that the European market price has hardly changed over the last ten years, while the export prices have dropped by more than 30 %.

EU Export Price to Africa and EU Production Costs for Poultry Meat



There is no known explanation for this either, since there are hardly any significant fluctuations when several chicken parts are compared separately. There are even increases, e.g. for chicken wings. An exception forms the year 2001/2002, where the consumption in Europe and simultaneously the price declined drastically because of a dioxin scandal in the Belgian production. In this period it had well been tried to compensate losses with higher export prices to Africa, although the exported quantities were returned from some countries due to disposed import bans.

Actually, exports to Africa had to be expected to decline in price in that period. A similar development, due to the bird flue in spring 2006, could be expected for the next year.

The given average export prices from the EU to West- and Central Africa also show that these prices are far below the production costs in Africa (details see point 6.2) and that these trade prices do not cover the average purchase price of the slaughterhouses in the European countries either.

Purchase Prices at different production and trade levels:

2004	Europe	The Netherlands	Germany	Ghana local poultry	Cameroon, local poultry	Burkina Faso, local poultry
Producer Price (alive)	0.74 €	0.67 €	0.72€	2.99 €	1.87 €	2.42 €
Cost Price slaughterhouses	1.82 €	2.02 €	1.86 €	--	--	--

Source: ZMP, FAOSTAT, Eurostat

1.4. Which direct or indirect **subsidies** and support measures are involved in the EU that might distort chicken meat prices of exporters to West/Central African markets?

EU answer:

There is no domestic support for chicken producers in the EU: no public Intervention system, direct payments or other type of domestic public policy support.

As to export refunds, inter alia to West/Central Africa, the following were applicable:

- "70% chickens" and "65% chickens" over the 1996-1998 period: varying between 5.50 and 8 €/100kg. July 1999: 25 euro/100 kg.
- Chicken cuts between 1996 and 1999 between 4.50 €/100 KG and 20 €/100kg; December 2001 to February 2002 5 €/100kg. October 2002 to March 2003: 5 to 10 €/100kg.

The 1992 reform of the CAP cereal sector has substantially lowered the price of cereals (30-35% less between 1992/93 and 2002/03) toward world market levels and, as a result, of animal feed in Europe. Animal feed represents on average 65% of costs of production for poultry meat. Thus, a reduction of costs of animal feed may in principle increase European chicken exports competitiveness. However, third countries producers may have access to animal feed at world market price or lower, in case of national subsidies. Any meaningful comparison would need to be based on concrete data.

APRODEV comment:

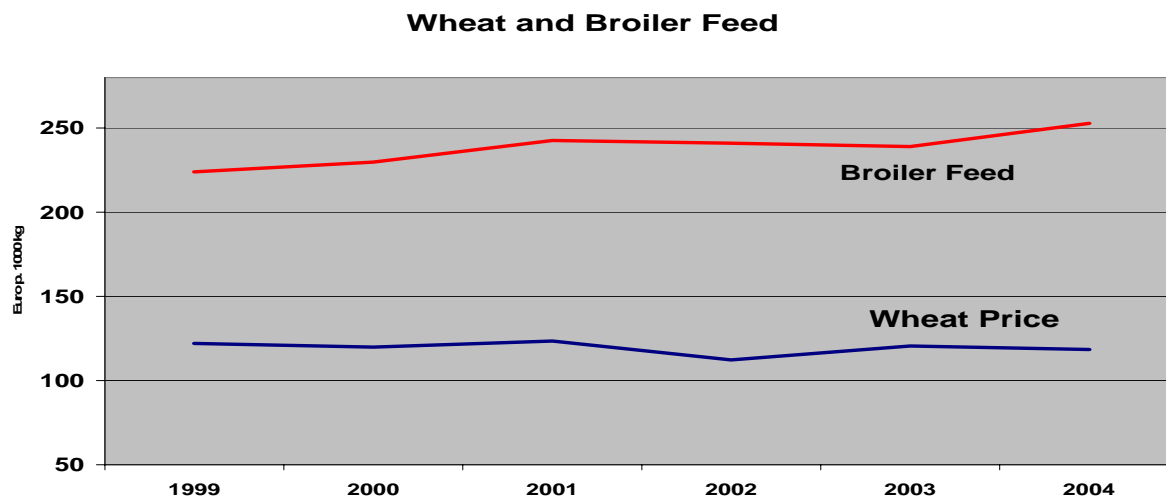
The non-existence of export refunds to Western Africa has been confirmed (with the exception of Angola, of unknown reason). The question arises, though, whether the existing export refunds for exports to the CIS countries and the Middle East²⁴ enable the slaughterhouses and export dealers in some way to export the chicken cuts not exportable to these countries even cheaper to Africa by intra-corporate cross-subsidization of deliveries.

The explanation for the low export price to Africa by the decrease of the corn price is not conclusive. Because in this case, the consumer prices for chicken meat inside the EU would have had to drop, too, but they have not, as shown in the table of your answer 1.3.; the market prices inside the EU have also remained stable.

²⁴ <http://ec.europa.eu/agriculture/minco/manco/poultry/760.pdf>

Furthermore, the export prices to Africa are dropping at a time, when the effects of the CAP reform for corn begin to wane in Europe. For a period of about five years, the corn prices have remained relatively stable, while the export price for chicken meat is dropping by approximately 20 %.

The price for broiler feed in the EU has even increased for the last five years.



Source: ZMP Marktbilanz, Eier & Geflügel 2005 and Eurostat

In conclusion: The EU subsidies do not explain the trade flows, and they are not the origin of the unfairness of the chicken trade to Africa. It has to be explained by new technical factors and corporate power in international trade, which unlevel the playing field of trade.

1.5. Why can EU traders sell frozen chicken meat on West/Central African markets so cheaply?

EU Answer:

There is not a single and simple answer to this question. It should be noted that other producers are extremely competitive on world markets (e.g. Brazil and Thailand) and also do export Western and Central Africa. It would be useful to investigate what determines the price of local products. In general, price competitiveness depends on the efficiency of production, transport and distribution technology and the cost of inputs. Part of the explanation stems from the fact that according to AVEC²⁵ around 50 % of EU exports to West and Central Africa might be made up of laying hen cuts for which there is a lower/regional/seasonal domestic demand and therefore can be sold at a cheaper price than other quality of chicken. The virtual closure of the Nigerian market from 2002 may also have altered pre-existing trade flows.

APRODEV Comment:

²⁵ Association of Poultry Processors and Poultry Import and Trade in the EU

As mentioned above, so far, explanations given for the extremely low price of chicken meat exported to Africa are altogether not convincing. The explanation received from the AVEC appears even less satisfying. The quantity of chicken meat from the slaughtering of laying hens is not very high (8 % of EU total).²⁶ So a considerable share would have to be exported to Africa.

It is instructive to notice that the possible meat quantity from laying hens in the EU amounts to max. 400,000 tons, while the overall quantity of mast chicken meat sums up to 6.5 millions.¹⁶

Since the costs for cutting up the hens are too high in relation to the expected proceeds at selling price, which are between € 0.95 and € 1.16 per kg, laying hens are usually only offered as a whole to the meat processing industry.²⁷ But since the share of whole chickens at the overall export amount of chicken meat is less than 25 %, further 50 % of the exported chicken parts would have to be of laying hens, actually not available on the market in parts.

Given an overall export amount to Western and Central Africa of about 150,000 tons of chicken meat (2003), this would imply an export of approximately 20 % of all laying hens slaughtered in Europe, 275 million pieces. Sold to Africa at lower prices than to be expected when sold in Europe. Since there is no duty codification for the meat of laying hens, we do not have a possibility to investigate, whether the chickens exported as wholes are in fact laying hens.

Then it is correct that the European market for laying hens becomes smaller. The consumption of boiling hens becomes ever more rarely. The price egg producer's obtained in 2004 for their laying hens in the slaughter houses lies between 0.03 Euro and 0.11 Euro.¹⁷ The EU decision to outlaw battery hen cages from 2012 will lead to the fact that enterprises give up and slaughter their animals. This will increase the pressure to the price for laying hens.

Actually there is a discussion to strengthened exports also to Africa.¹⁷ Therefore an exact investigation of the whereabouts of meat from slaughtering of laying hens would be necessary.

The quantities Nigeria had imported before 2002 cannot explain the permanent reduction of the import prices for chicken meat from the EU, given its low quantity of 16,000 tons only.²⁸ Moreover, the overall amount of exports has been rising afterwards. Otherwise the considerable fall of the import quantities in some countries alike would have had to lead to a fall in export prices. But this is no longer the case. For three years the prices have been hardly dropping, remaining stable at a very low level.

The studies on the impact of chicken meat exports in African countries quoted here and published within the last few years, deal with this problem, too.²⁹

Among the various answers concerning the reasons we could tell apart four basic assumptions:

²⁶ ZMP 110 and 208

²⁷ ZMP - Markjournal Eier 05/2005 (2005), Bonn/Germany, p. 5

²⁸ See EU answer point 1.1.

²⁹ See Annexe 1: Bibliographical References

1. *Chicken parts of lower quality are exported, being therefore cheaper.*³⁰
2. *The chicken parts at least partly are actually a surplus commodity; hardly without a market value, and therefore do not really have a market price here in Europe. However, exported to poor consumers, they meet a consumer's preference elsewhere.*³¹
3. *Since particular chicken parts sell at a very high price and meet high demands, other parts can be sold cheaper, including the export of probable surplus chicken remains to Africa. This is cross-subsidization of corporations, which make sense as long term strategies to open up markets.*³²
4. *Indirect corn subsidies by the CAP reform and the export refunds to Russia and the Gulf states produce that much profit for the slaughterhouses, so that remaining surplus which remains can be exported to Africa, instead of being stored, disposed as waste or sold cheaply to the European food industry.*³³

We have dealt with these assumptions in our answers above, but have to concede that at last none of them can sufficiently explain why it should be commercially sensible to export 2 - 4 % of the European chicken production to Africa in spite of higher prices in Europe and the destructive consequences for the involved countries (as to be seen in point 6).

1.6. What is the percentage of **substandard** chicken meat (waste, rejects, below normal quality) exports to West Africa, both volume and value in total EU exports and West/Central African imports? Has there been a major shift in the use and trade of this substandard chicken meat in the last years?

EU answer:

The quality of EU chicken exports is subject to the same standards applicable to the same products sold on the domestic European market. Therefore, it is not appropriate talk about substandard chicken meat.

APRODEV comment:

When talking about substandard, we do not mean below food safety, but below the consumers preferences in rich countries. The given answer contradicts the previous EU statement. If the meat of laying hens would indeed amount to 50 % of

³⁰ Ceesay 1

³¹ Gbaguidi 11

Ofei-Nkansah, Kingsley (2004), Ghana: A case study on economic partnership, page 77

³² Gelder, v. J. W. (2005), Export van Nederlands kippenvlees naar Afrika, Een onderzoeksrapport voor Novib: Castricum, page 49

³³ Christian Aid (2005), For richer or poorer, Transforming economic partnership agreements between Europe and Africa, London, p. 18
Horman, Denis (2004), Chicken Connection, Le Poulet African etouffe par l'Europe, GRESEA, Bruxelles, page 61 to p. 66

the exports, a substandard quality would be addressed here, meat with a high fat content, from a race different to broilers and sold exclusively for the production of soup in the EU (Please cf. also the remarks in point 1.2). To the question, which quality categories are exported, we cannot provide an answer, due to a deficit of appropriate classification.

Though, we consider it unlikely for rational reasons, that the slaughterhouses would operate separate production processes for this small African export market (storing meat of quality categories B or C, cutting off laying hens in parts).

1.7. Is the import policy of Nigeria justified to ensure that its economy does not become a dumping ground for cheap and subsidized goods that compete unfavorably with locally produced goods?

EU answer:

From the available information, the import policy of Nigeria seems to aim mainly at sustaining the development of local chicken production. In 2002, the government increased, on one hand, the level of tariffs for poultry meat and, on the other, supported internal production.

Provided existing international commitments are respected, the right of developing countries to protect their industry is fully acknowledged. In extreme cases, safeguards measures can be implemented in conformity, for example, with WTO rules.

APRODEV comment:

This answer is not fully correct. Nigeria has, as we are informed, a strict import ban for chicken meat since July 2002.³⁴

In 2004, it had tried to close a sluice of illegal imports via the border to Benin, which led to a drop of the imports in Benin³⁵. Nigeria did therefore not raise duties.

None of the trade agreements allow such a long-term import ban for commodities, particularly since Nigeria does not belong to the LDCs. Safeguard measures are limited in duration and only legal in relation to import surges disturbing the national production. They would have to be justified by the importing country on the basis of predetermined triggers, volume- and price-wise. The government of Nigeria has not submitted to this procedure so far. But no country of the EU did complain to the WTO in this case.

³⁴ Briggs, N. Inye (2005), Nigeria: Protecting domestic productions in times of liberalisation and the short medium and long term implications for regional integration, Accra, Ghana, page 8
USDA, Foreign Agricultural Service (2002), *GAIN* Report #NI2025: Nigeria, Poultry and Products Poultry, Update 2002

<http://www.otal.com/nigeria/nigeriaimports.htm>

³⁵ <http://cotonou.usembassy.gov/tip03rep.html> and <http://www.otal.com/benin/beninpsi.htm>

2.) Food Export Standards and Food Laws

2.1. Which EU-Legislation forbids the export of any kind of food that has no admission to the EU-domestic market?

EU - Answer:

Regulation (EC) N°178/2002³⁶, for exports see in particular Article 12:
"Food and feed exported or re-exported from the Community for placing on the market of a third country shall comply with the relevant requirements of food law, unless otherwise requested by the authorities of the importing country or established by the laws, regulations, standards, codes of practice and other legal and administrative procedures as may be in force in the importing countries."

Aprodev Comment:

The problem of export of frozen meat is not only about the quality of the meat, but about the fact that a product is exported in spite of the fact that it is known that - after unloading - the products cannot be distributed further in its frozen state. There is no guarantee for a complete cool chain in most of the African countries.

In the above mentioned part of the food laws, Regulation (EC) N°178/2002, Article 14 furthermore includes as one of the conditions to be taken into account to consider a food as safe, the safety in each stage of production, processing and - decisive here - also each stage of distribution.

„ Regulation (EC) N°178/2002 Article 14:

...

3. In determining whether any food is unsafe, regard shall be had:
(a) to the normal conditions of use of the food by the consumer and at each stage of production, processing and distribution, ..."

In our opinion, this is, where the problem lies. It seems obvious beforehand, that at the stages of distribution after the unloading of the frozen meat at the Western African ports, the frozen food cannot be safely handled any more. Moreover, Cameroon lacks legal regulations and inspection on the distribution of frozen food. The food safety of frozen food cannot be warranted and is a part of the scope of responsibility of the exporter. When an export license is granted, a proof for maintaining this safety standard, obligatory due to Article 14 in the European distribution, is not requested.

This leads to a risky situation as health and food security are concerned. The ACDIC report provides evidence from the analysis of the 'Centre Pasteur', which

³⁶ OJ L...of.....2002

states that up.³⁷ Up to 85 % of the European meat offered to the consumers has not been suitable for human consumption.³⁸

The foreseeable non-compatibility to Article 14, 3a, by the exporting enterprises can be judged to be an offence against the quoted Article 12: "Food and feed exported or re-exported from the Community for placing on the market of a third country shall comply with the relevant requirements of food law.

A limitation in Article 12 allows diverting from this, if the importing countries do consciously apply for a diversion. This limitation does not apply, because no such request had been made by any Western African country.

„Regulation (EC) N°178/2002 Art.12: ... unless otherwise requested by the authorities of the importing country or established by the laws, regulations, standards, codes of practice and other legal and administrative procedures as may be in force in the importing countries."

The essentials of the above mentioned food laws of 2002, introducing the regulation, do clearly prove the responsibility of the EU for the food safety all the way down to the consumer of the importing country. In our opinion this is made clear in the following excerpt:

"Regulation (EC) N°178/2002:

....

(24) It is necessary to ensure that food and feed exported or re-exported from the Community complies with Community law or the requirements set up by the importing country. In other circumstances, food and feed can only be exported or re-exported if the importing country has expressly agreed. However, it is necessary to ensure that even where there is agreement of the importing country, food injurious to health or unsafe feed is not exported or re-exported."

While preparing these food laws, the EU had ordered a White Paper, knowing how difficult it would be to reach this aim of food safety in exports. Therefore, it had been formulated:

"112. Consumers all over the world have the right to expect exported Community products to meet the same high standards that apply within the Community. The level of food safety required for products exported from the Community should therefore be at least that required for products placed on the market within the Community. The need to establish Community export certification arrangements to ensure this will be examined."³⁹

Our suggestion to cease (in accordance with the EU food laws) the export into countries without the assurance of a operational and complete cold chain, should, however, not dismiss the African governments from their responsibility for the safety of the food traded in their countries.

³⁷ Bopda, 57-63

³⁸ Bopda 63.

³⁹ Commission of the European Communities, White Paper on Food Safety, Brussels, 12 January 2000, COM (1999) 719 final Chapter 8: International Dimension, p.34

It does not make much sense nor is it coherent to support and fund capacity building measures in developing countries, aiming at the adaptation of their food laws to European standards and at improved governmental food surveillance, while the crucial problem remains how to effectively protect the countries from semi-legal European imports,

- 2.2. How tied are the border controls to enforce compliance with national food standards?
- 2.3. Which chicken meat in the EU is banned from marketing? Which other substandard chicken meat is there, and what happens with this meat?
- 2.4. Which quality classifications are being used in the EU for chicken meat, and are they sufficient and transparent for consumers and buyers to allow for product differentiation and market segmentation? Do these quality classifications also apply to exports?

EU - Answer:

Joint answer to 2.2/3/4.: Food products can only be placed on the domestic market or exported if they comply with the same sanitary rules of the EU food safety legislation. There is no special production of chicken cuts with lower standards. In order to export, veterinary export certificates have to be obtained from EU competent authorities, which have to verify each consignment before issuing the certificate. In addition to EU requirements, any third country can request extra sanitary checks, which also have to be carried out before an export certificate can be issued⁴⁰.

APRODEV Comment:

As previously mentioned (see point 1.2.), the duty classification does not allow sorting the chicken parts after their quality classification or learning if it is meat from laying hens. So it is barely assured that the meat is fit for consumption when leaving the slaughterhouse. It is unclear what kind of and if a time limit is imposed on any exports guaranteeing that expiry date is not exceeded, given the lengthy for the international shipping transport. These questions remain irrelevant for the inspection procedure in the EU, and it is not covered by the tariff classification. It cannot be excluded that the frozen meat is sold to Western Africa just shortly before expiry date.

⁴⁰ Source: http://europa.eu.int/comm/food/index_en.htm

2.5. Till which point of time can chicken meat be exported, before the expire date has run off?

EU Answer:

Additional information on the above points can be obtained from DG SANCO.

3.) Corporate Social responsibility

3.1. What are the responsibilities of a seller of deep frozen meat for insurance that the buyer can maintain the closed frozen chain? Is there any legal constraint for sellers with regards the safe handling of frozen meat for export to developing countries?

EU Answer:

The sanitary conditions after the product leaves the EU are no longer under the responsibility of EU authorities. The transporter/importer is responsible for the maintenance of good sanitary standards (in particular the continuity of the cold chain) and for delivering products that comply with all contractual and specification requirements and are advised to set up a quality control system designed to assure compliance. The importing country is responsible for consumer protection, and as such follows its own legal requirements, when a consignment is presented for import.

For assurance that items comply with these detailed requirements, buyers may and often do choose to use the services of an independent, unbiased third-party to ensure product compliance with a purchaser's specified options. The standard includes photographs of carcasses and selected commercial parts/cuts to facilitate a better understanding of the provisions with a view to ensuring a wide application in international trade.

3.2. Has there ever been a debate on a "Code of Conduct" for the safe handling of frozen meat in international trade by any International Organization, like the FAO, Codex Alimentarius, OIE, etc.?

EU Answer:

An example of international "Code of Conduct" for poultry meat could be the **RECOMMENDED CODE OF HYGIENIC PRACTICE FOR POULTRY PROCESSING** adopted in 1976 by the Codex Alimentarius Commission in which the EU, CEMAC and CEDEAO countries are members⁴¹.

⁴¹http://www.ipfsaph.org/servlet/BinaryDownloaderServlet/codexCodexrcp14ftpftp.fao.org_co.pdf?filename=\kopool_data\codex_0\en_cxp_014e.pdf&refID=codexCodexrcp14

3.3. Has there ever been a debate on more detailed chicken meat classification in international trade by any International Organization?

EU Answer:

A more detailed chicken meat classification is presently under discussion at the UNECE (United Nations Economic Commission for Europe). These standards are used by governments, producers, importers and exporters as well as other international organisations⁴².

3.4. Are there private sector quality standard systems for chicken meat in place, which regulate the domestic marketing? Are they also applied to exports? Is there any preceding incidence of a voluntary "Code of Conduct" by private meat exporters (initiated by the EU) on their conduct related to food safety and food quality insurance?

EU Answer:

European private sector adopts uniformly the quality standards defined by the EU and the international standards adopted by Codex Alimentarius.

4.) Development

4.1. What are the border protection measures of West/Central African countries? Are they sufficient, satisfactory implemented and justified to safeguard the interests of the domestic poultry sector?

EU Answer:

Tariffs and safeguard clauses protecting the domestic poultry industry are present in West/Central African countries at the national and regional level. CEMAC have, for example, a 20% tariff for poultry imports. In the case of UEMOA⁴³ countries, the application of the Common External Tariff has also led to changes in border protection: for meat the applied MFN tariff rate is 22.5%. In addition to MFN customs duties, goods not originating in the UEMOA are subject to several additional duties determined by countries. The Senegalese customs authorities

⁴² Source : <http://www.unece.org/trade/agr/standard/meat/chicken/chicken.e/general.pdf>

⁴³ UEMOA: Union Economique et Monétaire Ouest Africaine (Benin, Burkina Faso, Ivory Coast, Guinea Biss., Senegal, Mali, Niger, Togo).

have, for instance, created a livestock fund levy, which is imposed on imported goods and has no counterpart at the domestic level: CFAF 100/kg for poultry meat.

The assessment of the effectiveness and efficiency of such measures is primarily the responsibility of the concerned government and relevant regional organisations. The Commission and other donors are prepared to assist, if requested, in the framework of the existing cooperation instruments. There are several examples of past or current Customs and trade capacity building programmes supported by the donors' community in Africa.

APRODEV Comment:

The existing tariffs do not raise the price of imported meat sufficiently so that locally produced poultry could compete at an affordable price. Import prices are so low and the difference to the price of locally produced poultry is so big that even safeguard measures like the above mentioned in Senegal could not sufficiently enough raise the price of the imported meat offered at the markets to stop imports; the tariff rate in this case was 25%.⁴⁴

After the ACDIC protests the government of Cameroon chose a different approach. In 2005 the Government of Cameroon not only put an import quota on imported meat (5,000 tons) but also fixed a basis import price (1,000 CFA, approx. 1,45 €) on which a 20% tariff was charged. That means, duty is paid on a fixed reference price instead of the real import price (400-500 CFA on average). Additionally, on this basis import price also the 20% VAT is charged. At the same time VAT was taken off local poultry livestock. These measures raise the price of imports by approx. 400 CFA that means by 80-100% to approx. 900 CFA.⁴⁵ All these measures taken together add up to the tariff rate of maximum 80% which was notified for meat at the WTO by the CEMAC countries.⁴⁶ That mean the raise in tariff was legally achieved by making use of the "water" between the applied and the notified bound tariff for meat.

These measures also led to an increase in investments and in the local poultry production in Cameroon in summer 2005. Despite the facts that the existing chicken brooding factories could hardly meet the demand, that the price for chicken nearly double and that the price for corn increased due to the high demand - despite all this 67% of poultry consumption was covered by local production³³; for comparison: In 2004 the self-sufficiency rate was only 25-30% due to the import competition.⁴⁷

Nonetheless, the low price poultry cuts from Europe counteracted the measures in Cameroon. With import prices of 300 CFA 80% "tariffs" do no longer have an impact. Importers still sell their meat at a price that is 20-30% lower than the price for local meat which at the moment is very expensive due to the rise in prices for chicken and chicken feed.

⁴⁴ Diagne 19-20

⁴⁵ La Voix du Paysan (2005), Lutte contre l'importation massive et incontrôlée des poulets congelés, 14.Janvier 2005, p. 12

⁴⁶ ERS, Economic Research Service, USDA, data, WTO tariff levels for meat, Cameroon, <http://www.ers.usda.gov/db/wto/>

⁴⁷ Bopda 64-71

After a short period of readmission of imports around Christmas 2005 - this was accompanied by strong protests - all this led to a total ban on poultry imports.⁴⁸ This measure follows the example of Nigeria.

Nigeria had imposed such a measure even in 2002. In 2004 and 2005 also Senegal, the Ivory Coast, Burkina Faso, Mali and Benin⁴⁹ introduced a total ban on the import of frozen poultry. Its success shows in the import statistics of 2005. The figure for imports frozen meat dropped for Cameroon (- 88 %), Senegal (-77 %) and the Ivory Coast (- 50 %).

However, Ghana is still experiencing massive exports and has not taken any counter-measures.

A total ban on poultry imports which was chosen as the safeguard measure here is permitted only under the terms of the SPS treaty, e.g., as a defence against epidemics (e.g., bird flu) or as a short-term measure, limited to 200 days, when there is an "import flood" (WTO). A permanent ban on imports of certain products is not provided for in international trade treaties. But so far neither the EU nor any other exporting country (USA, Brazil) initiated legal proceedings at the WTO.

4.2. Which international agreements and programs constrain the West/Central African countries in their desire to protect their own chicken meat production better?

EU Answer:

The question seems to assume that governments sole or main objective is to protect their domestic chicken producers, but this might not always be the case, as at least to a certain extent governments may opt in favour of trade liberalization and competition or make trade offs in certain sectors in the interest of their economy as a whole. In any case, the question should be addressed to the governments concerned. The Commission services are not aware of specific problems in this sector which would be caused by international agreements signed by those countries.

APRODEV Comment:

Commercial law does not provide for any possibilities to maintain a permanent protection against imports at cheap prices. All measures that could be implemented are effective only for a limited period of time (see WTO - SPS, see point 4.1, and point 7. on EPAs).

Not in all African countries do the imports of frozen poultry put out the local production from the domestic market (see point 6.1.) Those effects are not observed in countries with a traditionally very low local production or with a very

⁴⁸ See European Voice, Democracy takes wing in Africa, Volume 12 No3, 12 January 2006

⁴⁹ PriceWaterHouse (2005), Sustainable Impact Assessment (SIA) of the EU - ACP Economic Partnership Agreements West Africa: Agro Industry, p. 5-7

high demand or which even before 1995 imported large amounts of poultry, e.g., Gabon, Cape Verde and Equatorial Guinea

Angola does not belong to one of the two regions (CEMAC and ECOWAS) and presents a special case. Detailed data on the local market were not available. Angola's import figures are - after those of Benin - the second highest in Africa; but a large share of these imports comes from the US. On EU imports to Angola the EU pays export refunds that have been raised once again by over 150% to compensate for the sales problems following the bird flu. A more detailed investigation of the effects or the background still has to be done.

4.3. Is there a need for more legal flexibility for import measures by the West/Central African countries under international frameworks?

EU Answer:

See the answer to the previous question. The question to be asked is rather "what is the development and trade policy of a given country or region, how effectively is it being implemented and why".

APRODEV Comment:

There is a need to regulate the import of food products so that local production will not be ruined. It is unfair competition when the purchase price of a product in its country of origin is nearly 100% higher than its export price. This is the result of a price calculation that allows to put rejects (poultry parts that could not be sold in Europe) on the market at any price because production cost is already covered by profits from sales in the country of origin and in the EU and by subsidized exports to Russia and to the Gulf States. As an alternative, these surplus goods would have to be destroyed.

It is necessary to add agreements to the existing trade treaties to prevent such "unfair" trade with products that have become rejects due to different qualities, consumer preferences and cross subsidies. These products are exported at a price far below the "purchase price" in their country of origin.

4.4. Have the EU and Member States supported poultry and chicken production in West/Central Africa by ODA in the last 10 years, and do those projects suffer under the fierce import competition?

EU Answer:

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APRODEV Comment:

In the 1990ies the FAO recommended poultry farming as an excellent way to fight poverty in rural areas. Based on these recommendations many international donors provided financial and technical support as initial aid. Especially female farmers with small farms were helped to invest in a small commercial production with 50-500 animals. Support organisations like SAILD, a longstanding partner of a number of Aprodev members supported small farmers in Cameroon in acquiring the know-how for profitable poultry farming. Some of the quoted studies show that this small production which provided for the people in the cities is especially affected by cheap imports.⁵⁰ A sample investigation by ACDIC in West Cameroon found out that 92% of small poultry farmers gave up their production within 8 years while the market was flooded by cheap imported meat.⁵¹

4.5. What is the gender impact of lost poultry production, employment and income possibilities for poor women and men involved in those projects?

EU Answer:

Answering this question would require an ad hoc evaluation study on the ground.

APRODEV Comment:

As mentioned in 4.4., the projects by international donors were especially focussed on poor and female farmers. These projects were aimed at providing them with an additional source of income besides their usual production. Since maize or other cereal feed (which accounts for 60% of the production cost of poultry) is grown by the poultry farmers themselves only low investments were necessary (for formation, stables, chicks and drugs) to start small - scale poultry farming. In addition to everyday feeding not much time needs to be spent on the animals so that one woman can easily take care of 500 animals. Poultry farming means an important advantage for the poor female population of rural areas: Poultry unlike other forms of live stock breeding or farming allows to generate regular income in short intervals - each generation of chicken needs 40-60 days to get ready for the slaughter. The lack of cash during off harvest seasons is one of the big problems of small farming households in Africa. Poultry farming enabled especially women to help out with their income from the poultry production when sudden needs occur, e.g., illness, school fees or even crop shortfalls. In addition, small-scale poultry farming in stables is a more intensive form of the backyard poultry farming (with few animals) which has been common for decades already. Poultry farming serves as emergency assets for bad times or to tide the families over extreme poverty or situations when food is lacking.

⁵⁰ Horman 36 – 49
Ceesay 6, 16

⁵¹ Bopda 69

It has been verified by several gender studies⁵² that this opportunity to generate own income also results in a strengthening of the role of women in small farming families. Not only the man who is the owner of the ground or works as a day labourer from time to time but also women contribute to the cash flowing the family through their poultry farming.

Seen from a development perspective policy point of view it is especially serious what damage the imported poultry does to the progress in gender equality and in the fight against poverty in rural areas.

4.6. In which way could development cooperation help the West/Central African countries in their customs administration, combating contraband and capacity building for trade and standards to tackle with the import of undue cheap frozen meat?

EU Answer:

See the answer to question 4.1

APRODEV Comment:

As verified by the ACDIC study, the official import figures are often far below the actually imported amounts.⁵³ The enormous profit margins between import price and local retail price have encouraged crime and corruption in the import business. It would have been reasonable to support the governments of West and Central Africa in their efforts to improve import controls and, above all, the hygienic standards in the distribution of the imported poultry. But the international donors failed to provide this kind of support.

Several countries (see chapters 6 and 4.1) have now taken very strict measures to limit or to ban the import of poultry.

According to ACDIC experience since spring 2005, after the government decided to limit poultry import and eventually to ban it entirely, civil society control is necessary and effective. Only after evidence was provided by non state actors that illegally imported poultry had been found on markets the import ban was fully obeyed. Illegal procedures in the import business now would register immediately because once again there is only live stock poultry offered at local markets.

⁵² Guèye, E.Fallou and Bessei, W. (2003) Research, education and extension for sustainable family poultry production: whither collaboration with FAO? Paper presented at the FAO Poultry Meeting, 30-31 July 2003, Rome, Italy.

Guèye E.F. (2003), Gender Aspects in family poultry management systems in developing countries <http://www.fao.org/AG/againfo/subjects/en/infpd/documents/Gueye.pdf>

⁵³ Bobda 42

4.7. How can this matter be built into the negotiations over the EPA to relax the competition and to improve the safety of the imported meat?

EU Answer:

Both EPA negotiations as such and the accompanying policies part of the wider EPA process can address several aspects of this question: trade policy, tariff protection or dismantlement and its calendar, health and consumers policy, governance, capacity building, private sector support and technical assistance springs to mind. SPS measures and supply side constraints have already been identified as priority areas for negotiations.

APRODEV Comment:

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4.8. How could the West/Central African countries make use of the SPS-Agreement to improve the safety of the imported frozen chicken meat?

EU Answer:

The SPS Agreement provides an internationally agreed framework for adopting implementing national or regional health measures. Therefore, it is a most relevant instrument for ensuring the safety of imported foodstuff, but it has to be accompanied by directly enforceable national provisions.

Aprodev Comment:

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4.9. Is the fact established that there is a serious health problem connected with the increase of frozen chicken meat into West/Central Africa?

EU Answer:

This statement is misleading. The problem may well be much wider, given that if, as SAILD says, health and trade legislation are not correctly implemented in the case of imported frozen chicken, the same may be true for other products, local or imported. SAILD themselves mention similar problems concerning, for example, fish. On the other hand, it has not been established yet that all imported chicken result in hazardous food: some lots might be sold via e.g. supermarkets under acceptable hygiene conditions.

APRODEV Comment:

It is correct that the legal regulations for the storage and transport of frozen products are not obeyed. But it is not at all possible to obey them because most of the African countries are lacking the necessary infrastructure.

Before the imports of frozen poultry began there was no necessity to build up an uninterrupted cold chain. Meat and fish then were distributed in a different way than imported frozen poultry. Usually they were not frozen so that an interruption of the cold chain was not much likely to increase the risk of salmonella infection.

Local poultry is almost always offered and sold when still living or it is slaughtered after or shortly before the purchase. The few supermarkets in the capitals importing poultry for the upper class and for foreigners by airplane maintained the cold chain by their own means.

Other kinds of meat, especially beef, offered at the markets without cold-storage always is slaughtered daily on demand at the sales location and sold directly. Meat which is not sold can be stored overnight in freezer chests. There usually is no transport of meat - however, if necessary, it is roasted, dried or smoked like game before transporting it. Thus meat is available even in remote regions. But when meat is needed for special occasions the livestock is driven into the villages that have this short-term demand and is slaughtered on the spot. The slaughtering is part of the ceremony.

Fish for the most part is sold fresh near the coast. Imported frozen fish is found primarily in seaport cities of West and Central Africa. In some countries fish is also frozen for transport overnight and after having reached its destination is stored in freezers or sold directly. In most cases this imported frozen fish is transported for a major event, hotels or restaurants. The local demand is covered by fishing from rivers, or the fish is smoked in the coastal villages and then sold in the inland villages. This is the most common form in which fish is for sale and transported away from coasts, rivers and lakes.

Supermarkets with their high hygienic standards contribute only little to supplying the population, even in the cities. They essentially provide imported goods and serve the urban upper class and foreign experts and diplomats. Prices are so high that the majority of the population cannot afford to shop in supermarkets. Fresh meat is for sale only in very few supermarkets (see point 4.), like it has been even before the massive increase in imports of poultry meat since 1996. The price for one kilogram of poultry is approx. 5,00 €, which is above the European level and means no threat for the local production.

As a matter of fact, frozen poultry was more and more also for sale along with frozen fish in retail shops at the port markets. Here because of the vicinity to the cooling containers the cold chain can easily be maintained.

ACDIC reports that after their study was published the government and a few importers made investments to improve the hygienic conditions for the transport and storage of frozen poultry. Freezers have improved and the government raised the number of food inspectors.

In Ghana, for example, a good cold storage infrastructure that had already been built up for a local production helps reducing the potential health hazards of frozen meat. But this cold chain was built up by the local poultry industry so that they could sell their produce in the cities and tourist centres. Now that the cheap imports have brought about the collapse of the local production the maintenance of the cold chain may no longer be guaranteed.

4.10. Does the availability of cheap imported meat justify the health risks?

EU Answer:

Certainly not. Health risks must be assessed and, if serious enough, prevented. The objective should be to offer food that is both safe and accessible to the consumers.

APRODEV Answer:

As described in 4.7, the preconditions for a sufficient and safe supply of the population with meat at reasonable prices were, even in the cities, guaranteed before the massive imports of frozen poultry began (see production statistic by the FAO before 1995).

Massive health problems through the distribution of poultry only began with the importing of frozen meat from Europe. These imports hardly contributed to safeguarding the food supply because in most of the countries they merely were a substitute for the locally produced poultry.

4.11. How can development cooperation rectify the food safety problems connected with imperfect systems of frozen food?

EU Answer:

The countries concerned can request support from the EU in the framework of Cotonou Agreement and EPA negotiations or from other donors to analyze, assess and where necessary reinforce sanitary and phyto-sanitary (SPS) measures, sanitary levels, trade regime, customs operations, negotiation capacity e.g. in WTO⁵⁴, and raise agriculture sector marketing and competitiveness.

For example in the case of Cameroon and Senegal, food safety issues and increase of agricultural production have already been included in their Poverty Reduction Strategy Papers (PRSP) and SPS issues are a priority area in the EU-Western Africa EPA roadmap.

See also the answer to question 4.5. above.

⁵⁴ ACP countries may access a 20 M€programme for EPA support and a 10 M€programme for WTO support, in addition to their national and regional EDF allocations.

APRODEV Comment:

To conclude this chapter on development, we would like to quote Jahan (UNDP 1995) who describes the kind of culturally enshrined economic growth needed to promote human development:

“And the quality of growth, not just its quantity that is crucial for human well-being. Growth can be jobless, rather than job creating; ruthless, rather than poverty reducing; voiceless, rather than participatory; rootless, rather than culturally enshrined; and futureless, rather than environmentally friendly. Growth that is jobless, ruthless, voiceless, rootless and futureless is not conducive to human development (Selim Jahan, 1995)”

5.) West/Central African Domestic Responsibility

5.1. Is there a contradiction between the legal situation of the import regimes for chicken meat in West/Central Africa and the implementation of the measures?

EU Answer:

This question, raised in the study by SAILD, should be addressed to the governments concerned.

APRODEV comment:

As shown in 4.1, the existing legal requirements for the safe distribution of frozen meat are usually sufficient. There is just a lack of experience with the application of those requirements because before 1996 meat had not been traded in the frozen form. But also in Africa it is above all the responsibility of the private investors to make sure that these regulations are carried out properly, especially those on the maintaining of the cold chain and on safe storing. After the meat passed the inspections at the harbor its transport and storage can only be controlled at a random basis by government food control officials. In most of the countries government food control is completely insufficient in terms of technology and human resources.

It is evident that large amounts of frozen meat offered on the African markets is not safe for human consumption. This is the result of the investigations initiated by SAILD. This meat should be confiscated by government food control officials. Further technical factors threaten the maintaining of the cold chain, e.g., power shortages for hours and lack of technological know-how on the maintenance of freezers and transporters.

- 5.2. Could improvement in the governance of the existing import regime of West/Central Africa alleviate the situation of the unfair and cutthroat competition with imported chicken meat from the EU?

EU Answer

The question is biased. The EU is neither the only nor the most competitive exporter of chicken meat. Governance aspects have been addressed in previous answers.

APRODEV comment:

Provided an uninterrupted chain of cold storage and the safe storing of the meat (see point 4) it is even more attractive for consumers to buy imported meat because of its much lower price.

This is the reason why Ghana (besides Benin, see point 6.2) is the country with the highest amount of imported poultry per capita (2 kg)⁵⁵ - here the maintaining cold chain is working fairly well.⁵⁶

The EU is not the only exporter. That is true. But in most of the African importing countries the EU is by far the largest importer. In most cases Belgium, the Netherlands or France are the largest exporting countries, with Brazil way behind. In chapter 1.1 it has already been mentioned that there is not much difference in import prices for meat from the EU, Brazil and the United States - even as in a country like Brazil production cost for poultry is 30% lower. (see point 6.7)

- 5.3. Are the legal food standards for marketing frozen meat in West/Central Africa sound enough? Are there serious deficiencies in their implementation?

EU Answer:

An exhaustive answer requires ad hoc studies.

APRODEV comment:

As already pointed out in chapter 5.1., the legal requirements (although not in all details) fulfill the international standards on distribution and storage of frozen

⁵⁵ FAOSTAT

⁵⁶ USAID (2005), Ghana Private-Public Partnership food industry development Program, Final report http://pdf.dec.org/pdf_docs/Pdacf408.pdf p. 106, 107

meat. There are indeed deficiencies in the controlling of their implementation and their being carried out properly.

6.) West/Central African Competitiveness

6.1. Are the costs to produce chicken meat under improved West/Central African poultry farming less than the average broiler production in Europe?

EU Answer:

An exhaustive answer requires ad hoc studies.

APRODEV comment:

A comparison of production costs for chicken meat in Europe and in Western/Central Africa needs indeed some introductory remarks and explanations. The chicken production takes place at three levels: The 3 main typologies of poultry farms operating in West/Central Africa are the communal or backyard poultry farms, the small to medium scale and the commercial farms as detailed below.

Communal/Backyard Poultry Farms

These poultry keepers utilize limited external inputs and raise local breeds. In this system local chickens can be found roaming and scavenging around in most agricultural compounds. Most of their feed comes from household residues and nature. Marketing is conducted in local markets. For poor rural and periurban dwellers they are vital for food security/livelihood security during lean periods, when they can be sold or consumed

Small-Medium Scale Poultry Producers (Broiler production)

These smallholders keep between 50 to 500 birds and operate semi-intensive to intensive production systems. They have confinements for their chicken stock and feed them with concentrate food, mainly cereals, of which at least part is self produced. These enterprises are generally located around the urban areas.

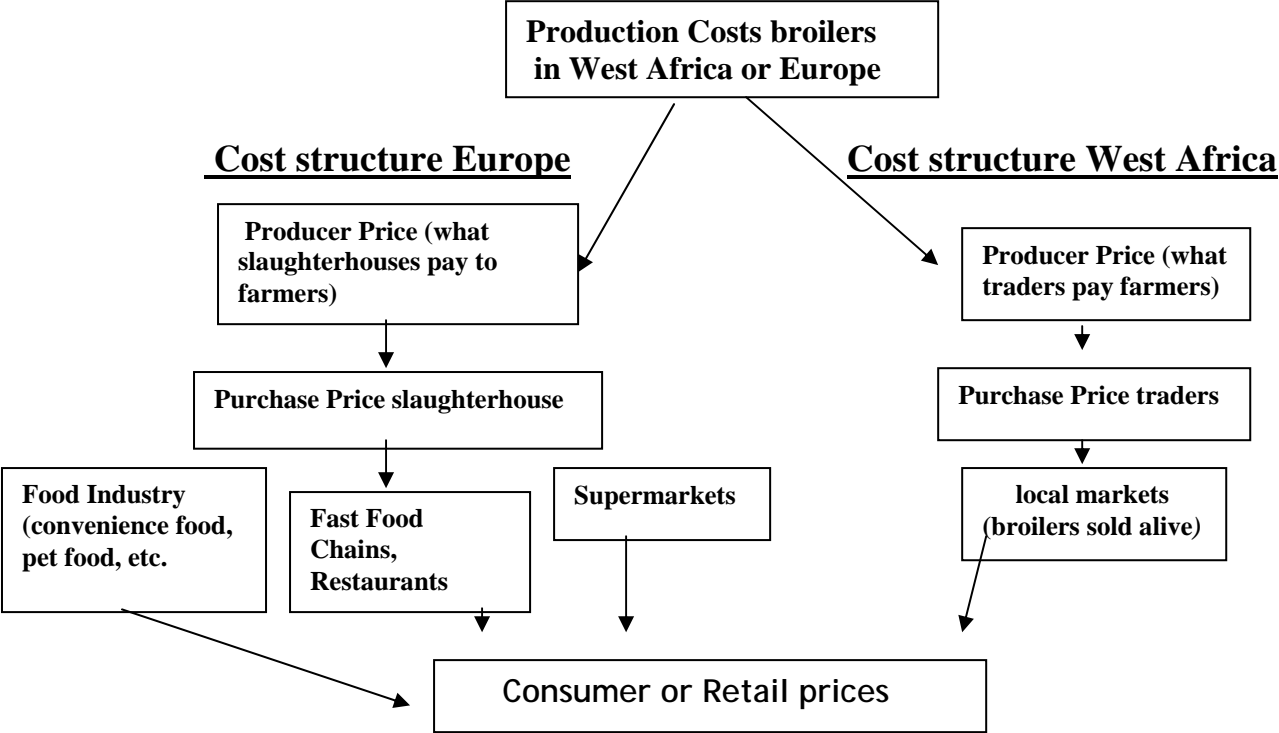
Commercial Farms (Broiler production)

Commercial medium and large scale poultry producers are situated around the larger cities. Stocks range from about 500 to over 10,000 birds, and they utilize modern production systems with mainly purchased ready-mixed concentrate fodder, raising purchased day-old-chicks locally produced or imported.⁵⁷

⁵⁷ Ceesay 5

This heterogeneity of production systems implies that the production costs differ significantly. The backyard poultry farms operate with low monetary production costs, while the other two farm systems operate at increasing monetary inputs and costs. The following prices so refer to the broiler production.

Price structure is different in Europe and in most African Countries:



Purchase price for one kg broiler (alive): what producers get from traders in selected West/Central African countries:

	Côte d'Ivoire	Came-roon	Togo	Burkina Faso	Mali	Nigeria	Ghana	Congo	The Gambia ⁵⁸
2002 Purchase price broilers (broiler)	1.80 €	1.87 €	2.16 €	2.42 €	2.60 €	2.86 €	2.99 €	3.91 €	2.47 €

FAO Statistic

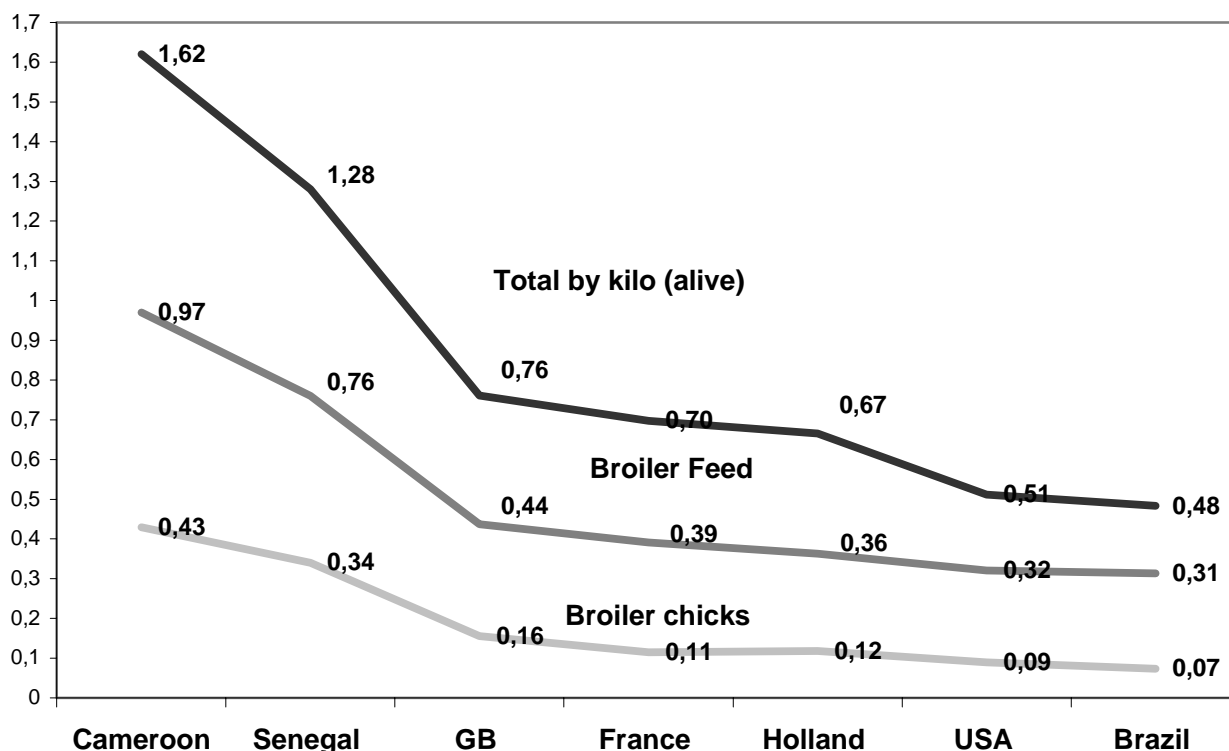
Purchase Price for one kg broiler (alive): what do European producers get from slaughterhouses?

	Denmark	Belgium	Germany	United Kingdom	Austria	France	Italy
2002 Producer Prices in €/kg	0,58 €	0.66 €	0.72 €	0.78 €	0.81 €	0.85 €	0.73 €

Source: ZMP Marktbericht 2005 Eier & Geflügel

⁵⁸ Ceesay 16

Broiler Production Costs 2004 (alive)



Source: Eurostat, ZMP

	EU	Spain	Belgium	Italy	Germany	Nether-lands	France	United Kingdom
Purchase prices								
slaughtered broiler (€/kg)	1.81	1.18	1.41	1.64	1.86	2.02	2.17	2.29

Source: Eurostat, CN 8

On the basis of the available data of prices for individual chicken parts, we added up the parts to an average price in the EU of 1.81 €/kg. This figure documents the average prices for all marketable chicken meat, including whole, fresh and frozen chickens and for fresh and frozen chicken parts. Everything else that is disposed, like giblets, reformed meat, skin and bones, does not influence the price. This purchase price of 1.81 €/kg is higher than stated price in the table 1.3 (*Prix de marché annuels*), where the EU identifies an average market price of 1.44 €/kg over all European countries for frozen whole chickens ("whole chicken" in the official statistics means a chicken of 65 % of the complete carcass). We do not content that the 1.44 €/kg is the right reference, because it constitutes only a share of 25 - 30 % of all chicken meat sold in Europe.

In relation to the original purchase prices of the producers, the investment into slaughterhouses, cold-storage depots and cool chain as well as the carving up of whole chickens apparently triples the cost of chicken meat products per kg by the slaughterhouses in Europe - from € 0.70 to 0.80 purchase price for the farmers per kg live weight, up to €/kg 2.00 as the purchase price of slaughterhouses.

These purchase prices as of slaughterhouse are more than 60 % above the selling price of EU-chicken part exports in Africa. The only explanation is that certain parts, more expensive in production costs, would only marginally be exported, including the inner-EU exports, while the parts exported to Africa are of minor value.

What basically makes the chicken production in Western and Central Africa that much more expensive than the exported chicken meat of the EU to Africa, is only to a lesser degree its low productivity, the twice as high prices for chicks and feed, but mainly the global marketing strategy of the European meat exporting industry, by sending low value deep frozen parts to Africa, which are not known there before and which replace domestic high value chicken in the market. To reduce production cost by African poultry farmers could not be a solution for this unequal competition.

A decrease in the price of chicks in Africa can hardly be expected, since the parent animals have to be bought in Europe and the energy costs for breeding are very high. The feed price could only be reduced, if cereals would be bought at the world market. But that would leave the breeders - usually cultivating the feeding grain themselves - without own outlet of their own harvest. However, since the feeding maize is a basic food for the people, too, and hence under competition by high consumer demands, the home grown maize has high opportunity cost as feed.

According to the reports quoted, the figures given for the share of backyard poultry farming as of total production are roughly 80 % for Burkina Faso⁵⁹ or 50 to 60 % for Senegal⁶⁰ and Cameroon⁶¹. In general, it is not easy to quantify the backyard poultry farming. It remains indistinct in most cases, to what degree the meat production of these farms contributes to the total satisfaction of the domestic demand for poultry meat.

The production statistics for Senegal illustrates these problems: while the FAO table below indicates a chicken production of 60,000 tons for 2003, the statistics authority of Senegal⁶² maintains a figure of 16,000 tons for the total production; 7,000 tons originate from small-scale or backyard poultry production in 2000.⁶³

6.2. Is it true that many West/Central African poultry farmers went out of business, because of cheap imports from Europe

EU Answer:

The Commission services do not have complete information on the evolution of the poultry industry in West and Central Africa and its causes. According to FAO data, chicken meat production in West/Central African countries has increased between 1996 and 2003. In CEMAC chicken meat production has increased from 40700 tonnes in 1996 to around 47000 tonnes in 2001 to 2003.

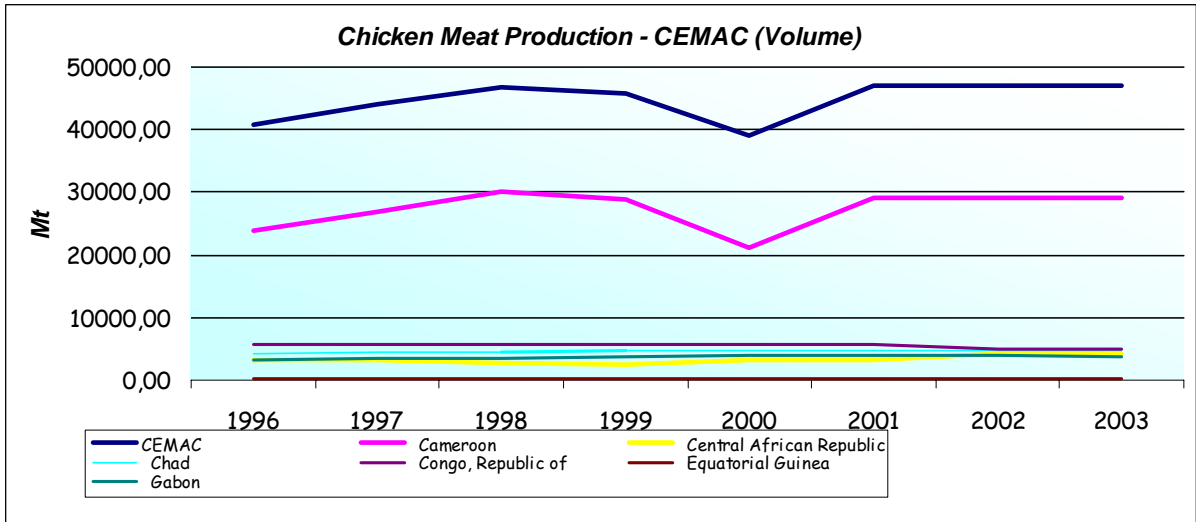
⁵⁹

⁶⁰ Diagne

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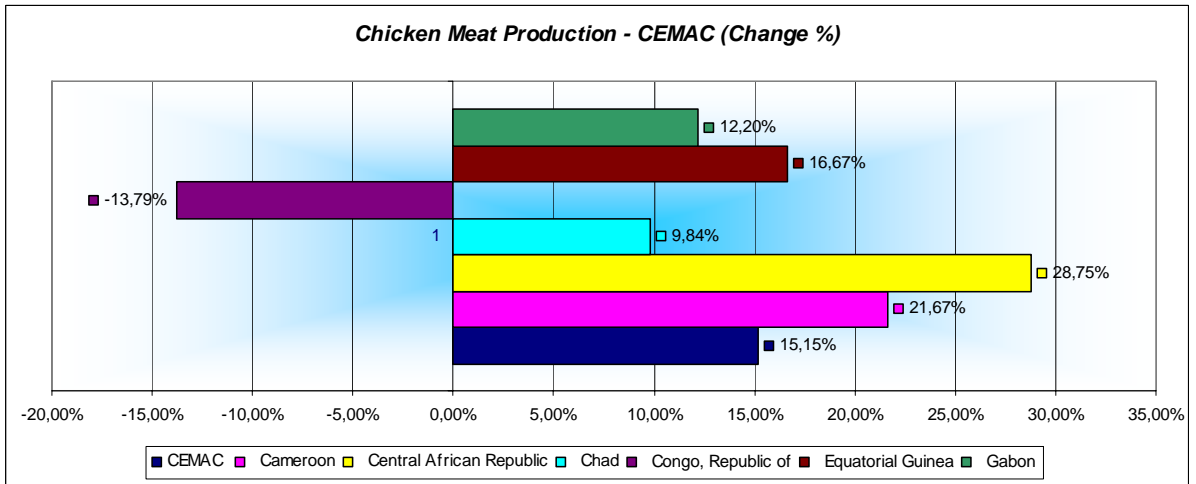
⁶²

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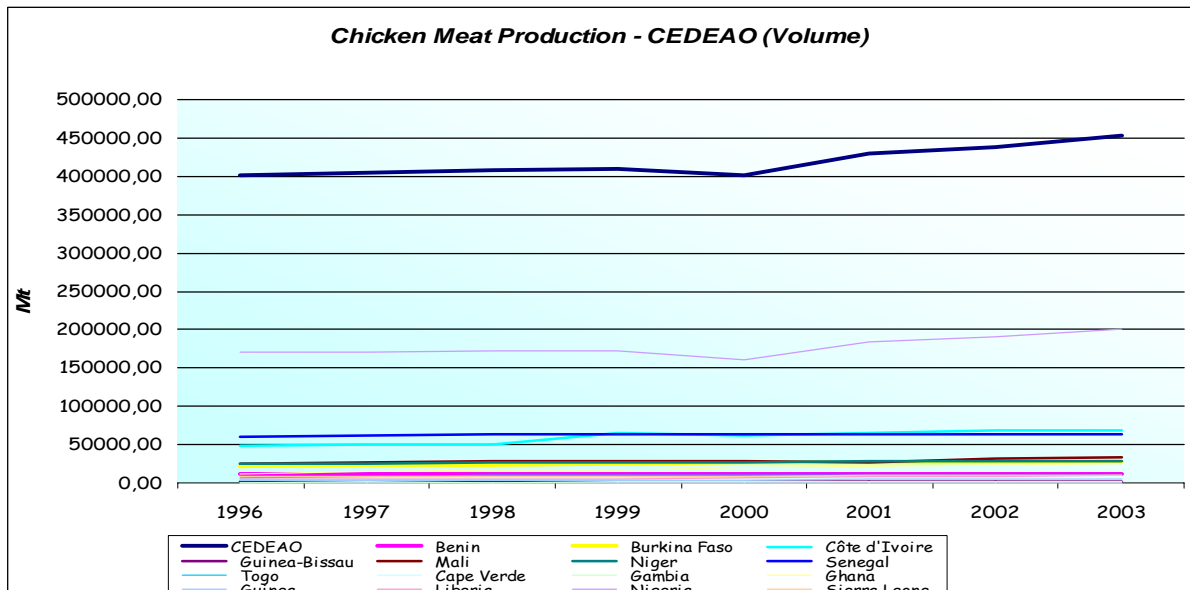
Source: FAO

Overall, chicken meat production within CEMAC increased by 15% between 1996 and 2003. The main increase is registered by Central African Republic (about 29% between 1996 and 2003), while Congo is the only country with a negative record. In Cameroon, chicken meat production increased by 22%.



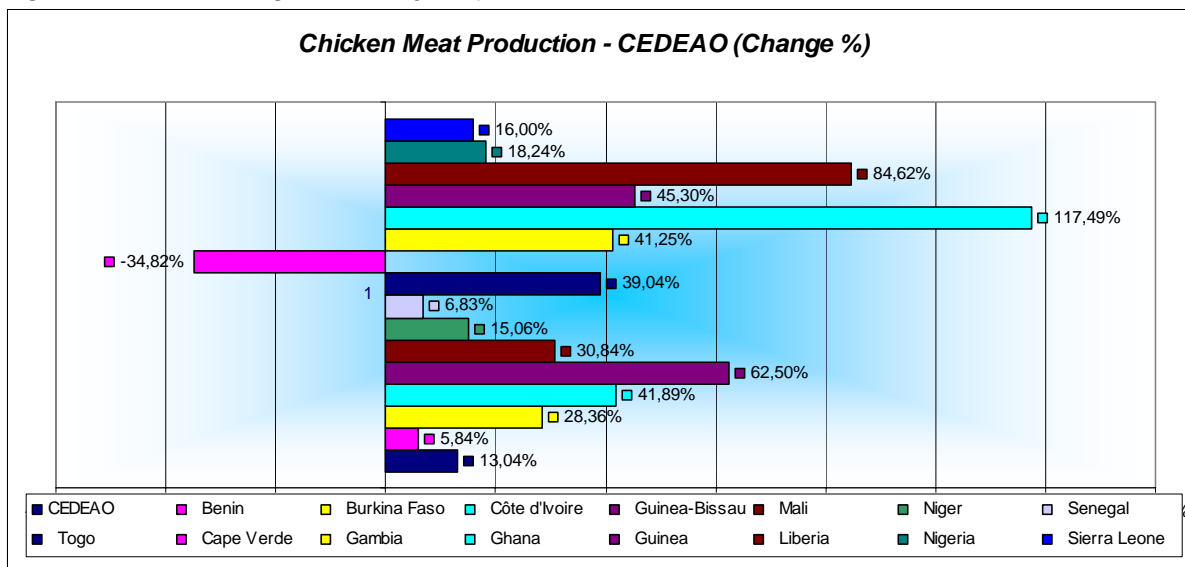
Source: FAO

In CEDEAO, chicken meat production remained stable at around 400 000 tonnes/year from 1996 to 2000 and went up by 13% from 2001 to 2003, reaching 450 000 tonnes.



Source: FAO

Among CEDEAO countries, chicken production increased significantly in Ghana (117%), Liberia (84%), Guinea Bissau (63%), Guinea (45%) and Ivory Coast (42%). In Senegal chicken meat production growth was more modest: only 7%. The only negative value is registered by Cap-Vert (35% less).



Source: FAO

In general, increasing chicken meat exports to West/Central Africa over the 1996-2003 periods seem to coexist with stable or increasing production levels. If the above data are correct, an explanation might be that fewer, more efficient local producers are ensuring increasing production levels.

APRODEV comment:

The figures given in the FAO statistics on the production quantities in Western and Central Africa have to be analysed.

Accordingly to these FAO data on production the import of almost 50 % cheaper chicken meat did not have any influence on the quantity of the chicken production in any African country at all; they only constitute additional consumption, which could not have been met by domestic supply at satisfactory prices. Even at yearly increases in imports of above 100 % in some countries would have been absorbed by the domestic markets without repercussion to the local production.

Furthermore, in those countries with the highest import rates, the quoted statistics indicates a frequent increase of the production:

Percentage Change for Chicken Meat and Meat from 1996 to 2003 according FAO Data:

	Consumption	Production	Imports	Meat Consumption
Ivory Coast	+ 52 %	+ 41 %	+ 3078 %	+ 24 %
Ghana	+ 150 %	+ 115 %	+ 288 %	+ 17 %
Guinea	+ 40 %	+ 45 %	+ 272 %	+ 15 %
Senegal	+ 7 %	+ 6%	+ 5616 %	-1,6 %
Togo	+ 30 %	+ 39 %	+ 97 %	+ 18 %

Source: FAOSTAT

The argument established does not appear very plausible, though. Particularly, since the FAO does not indicate (cf. point 6.4) any increase in the total consumption of meat. One would have to conclude, then, that chicken meat replaced cattle, fish and lamb, and led, according to this logic, to a decrease of the local production of these sorts of protein food.

The statistical base of the FAO figures is not very credible. A hint on a lack of the credibility is for instance that a triplication of the consumption per head is documented for (e.g. Ghana, 150 %) while in African landlocked countries, where no exports from Europe interfere with the markets, as e.g. in Mali, Burkina Faso and Niger the domestic production kept only pace with the population increase and the consumption level of poultry meat remains low (2.2 to 2.6 kg per head).

Percentage Change for Chicken Meat 1996 -2003:

	Consumption	Production
Burkina Faso	+ 4 %	+ 25 %
Mali	+ 8 %	+ 30 %
Niger	-11 %	+ 16 %

Source: FAOSTAT

The FAO itself hints at the fact that the figures for consumption and production appear as artefacts from data and import figures collected in the 80ties and 90ties: the data on livestock is predominantly qualified as less reliable.⁶⁴ A FAO survey concerning the statistical figures gives additional indications, complaining in detail about the reliability of the counting of livestock. They are mainly based

⁶⁴ FAOSTAT, Data source, e.g. Cameroon, Quality and Completeness, Livestock, <http://faostat.fao.org/abcdq/about.htm>

on the counting of vaccinations by the governmental veterinary surgeons. The inaccuracy, particularly with chickens, is evident.⁶⁵

Indeed, how problematic the FAO method to estimate the poultry consumption is, becomes obvious at the largest chicken meat importing country, Benin: The domestic consumption of all imported meat is taken for granted, only the legal export is deducted from the data of internal consumption. According to this empirical base, the people from Benin would consume the highest quantity of chicken meat per head in Sub-Saharan countries, namely 11.8 kg⁶⁶, and four times as much as in the neighbouring countries. This is, of course, not the case. The study on Benin⁶⁷ shows that more than 80 % of the meat imported to Benin is smuggled into Nigeria, where an import ban exists. But the FAO is simply adding this quantity to the consumption in Benin. The lax handling of statistics by the FAO can also be shown by the fact that the large reduction of chicken meat imports to Benin in 2004 and 2005, due to an agreement on tighter border controls between the governments of Benin and Nigeria, are simply taken as a sharp reduction of chicken consumption in Benin. This border control measure- by the way - has also led to price erosion in the local poultry production of Benin.⁶⁸

Another observation also challenges the accuracy of the FAO data. In some countries, the production figures document identical quantities over years, precisely on the kg. It is doubtful that this should be the case in the Sub-Saharan regions, where climatic conditions lead to huge annual variations on the availability of maize (as the basic feed of the chicken production). According to FAO data, Senegal is producing each year from 1998 until today supposedly precisely 64,100 tons of chicken meat, Togo from 2000 precisely 10,400 and Cameroon precisely 30,000 tons.⁶⁹

The chicken imports have had a substantial impact on the local production. It is proven by realities that thousands of small-scale farmers had to give up their chicken farms. The price differences between the local production and the imported meat as shown in the answers above made the consumers with low income buy the cheaper meat. But also the hotel branch, the restaurants and street kitchens use almost completely imported chicken parts.

The single case studies at hand from Cameroon⁷⁰, Ivory Coast⁷¹, Senegal⁷², Ghana⁷³, Benin⁷⁴ and The Gambia⁷⁵ confirm, how the small-scale farming with 50 to 500 chicks, as well as larger farms, have been driven out of the market by the volume of the imported meat.

⁶⁵ Timothé, Ayissi, (2002), Statistique Agricoles, d'élevage et du commerce extérieur du Cameroun, 5ème table ronde internationale de discussion, Food and Agriculture Organization of the United Nations (FAO), Le Conseil National de la Statistique (CNS), l' Institut National de la Statistique et le Ministère de l'Agriculture de la Tunisie, Tunis, Tunisie

⁶⁶ FAOSTAT

⁶⁷ InfoSud Belgique 13

⁶⁸ InfoSud Belgique 16

⁶⁹ FAOSTAT

⁷⁰ Bopda 69 - 71

⁷¹ InfoSud Belgique 33-34

⁷² Diagne 21-22

⁷³ Ofei-Nkansah 81-82

⁷⁴ Gbaguidi 22

⁷⁵ Ceesay 13-14

For the backyard poultry production the situation is less threatening. The “poulet bicyclette” is a label of its own.⁷⁶ Concerning size as well as taste, imported chicken cannot compete. . As a rule, the local live chicken still sell well, above all for celebrative events. The largest share, however, is consumed within the producers’ families themselves. Because the share of this kind of production is still very high, local live whole chicken meal remain a considerable percentage of the total consumption in Western and Central Africa.

This becomes obvious in an urban/rural comparison, considering the distances to the import ports.

Thus the destructive effects of imports affects mainly the small-scale farmers running medium-sized productions providing for the urban people This evidence for this has been proven by the available statistics.

The real economic dispute however is, whether it would be an economic advantage for the African countries to produce the imported chicken domestically. As ACDIC figured out⁷⁷, each ton of locally produced chicken meat would secure employment in Cameroon of the magnitude of five full time jobs, let alone the benefits of saving foreign currency⁷⁵ The import substitution is beneficial in spite of the fact that there is also a loss of custom revenues for the state budget through imported meat.

6.3. Is there a domestic chicken meat production for deep frozen marketing in West/Central Africa? How do the prices for frozen chicken meat from domestic origin compare to the prices of live animal marketing?

EU Answer:

An exhaustive answer requires ad hoc studies.

APRODEV comment:

To our knowledge, in Western and Central Africa, no poultry at all is frozen for sale. In Ghana and Senegal poultry is slaughtered and offered as fresh meat (cf. point 6.4.).

As revealed in point 6.1., the production and distribution of frozen local poultry would hardly be profitable in the short run. The investments for building up an energy-intensive cooling technique, cold storage and cold chain are substantial and

⁷⁶ InfoSud Belgique 22

⁷⁷ ACDIC (2004), Poulet congelée, Danger de Mort!, Yaoundé, p. 17

will take a long time. Deep frozen food would lead to a substantially higher selling price for the consumers, compared to the chickens offered alive.

The price differences in Europe (cf. point 6.1) give rise to a concern. In Europe, this increase in prices from the purchase price of producers to the purchase price of slaughterhouses is compensated by the willingness of the consumers to pay different prices for varying chicken parts (cf. prices for chicken wings and chicken breast). As a result, a chicken sold in parts and fresh sells for more (2,10 €) than a whole frozen one (1,84 €)⁷⁸. Chicken filets (only 150 grams of a total Broiler weight of 1.1 kg)⁷⁶ contribute by their high selling price to the realisable average purchase price with 45 %.

This kind of mixed calculation would hardly be feasible for African producers, because of totally different consumers' preferences. The chicken breast would have to be offered cheaper than the legs, since the low-fat meat is considered among the African consumers as meat without a proper taste.

Furthermore, since the high prices for chicks and particularly for feed are the main problem of chicken production in Western and Central Africa, and since locally produced frozen chicken would have a higher purchase price, chicken parts from local production would not have a chance against imported chicken parts, if export prices from Europe remain on a similar low level.

6.4. Are there specific West/Central African consumers' preferences leading to monetized demand, which cannot be met with domestic produced meat solely?

EU Answer:

Generally food supply per capita of meat, according to FAO statistics, has a negative or close to zero growth rate over the 1995-2002 period in CEMAC and CEDEAO (with the exception of Benin, Togo, Ivory Coast, Cap-Vert, and Sierra Leone). However, it is interesting to point out that this does not happen for poultry meat which is progressively more consumed in CEMAC and CEDEAO countries (except in of Congo, Niger, Chad). There could have been a substitution effect on the demand side switching consumers spending from other kinds of meat to poultry meat. Typically this happens when commodity's relative price changes but the utility of consumers is left constant.

APRODEV comment:

As shown in points 6.1 and 6.2, per head consumption figures for chicken delivered by the FAO are based on a sum of the imported quantity of meat and the supposed quantity of production, related to the respective population. We have expressed our doubts about the accuracy of the production figures in 6.2. The FAO consumption statistics for some African countries show increases in chicken meat

⁷⁸ ZMP 156 - 162

consumption, similar to the highest in the world, even surmounting those on Europe's markets at the time of the BSE crisis (see point 6.2.)

Considering the predominant sale of the imported chicken meat as well as the local chickens on urban markets, the FAO statistics would place the urban consumption figure even higher than in many European countries. The reports of our partners (as quoted in 6.2) show, that local chicken was hardly finding a buyer anymore on urban markets, when competing with imported chicken parts.

The assumption that chicken meat consumption replaced other kinds of meat consumption, as it did in Europe, is in our opinion not supported by the empirical data. In those countries, where there is a huge increase in chicken consumption, the total meat consumption has also increased (see table in point 6.2.) and in addition the data for Angola (+ 54 %), Cameroon (+ 16 %) and Congo (+ 23 %). No substitution effect is visible here.⁷⁹

6.5. Could West/Central African slaughter houses for chicken offer fresh chicken parts at a competitive price on the local market?

EU Answer:

No data available.

APRODEV comment:

By a few slaughterhouses in Ghana and Senegal⁸⁰ boned and cooled chicken meat is sold to hotels, restaurants and supermarkets of the capitals Accra and Dakar. In The Gambia, chicken has likewise been prepared for the tourist infrastructure. Prices surmounted those of live chickens considerably. With the chicken imports from Europe, the producers, mainly the owners of large farms and the operators of the slaughterhouses, had to face huge losses. The operators of the hotels and restaurants for the native upper class and for foreign experts and tourists are buying meanwhile the cheap imported frozen chickens. With the import ports being closely located, and a better cold chain compared to other countries, the meat could be offered to the customers in a better hygienic state. Particularly the chicken breeders in the Gambia suffer from those losses, since the selling prices in the tourist sector were relatively high⁸¹.

⁷⁹ FAOSTAT

⁸⁰ Diagne 34

⁸¹ Ceesay 6

The table shows price differences in Senegal for imported and local frozen poultry meat⁸²:

Types of distribution	Presentation	Preparation	Production	Quality	Price per Kg
TRADITIONAL MARKET	Whole	Fresh	Local	Free range	1 700
	Whole	Fresh	Local	Meat	1 400
	Whole	Fresh	Local	Layer	1 300
	Thighs	Defrosted	Imported	Bulk	1 050
GROCERY SHOPS AND SERVICE STATIONS	Whole	Frozen	Local	Free range	2 200
	Whole	Frozen	Local	Meat	1 900
	Whole	Frozen	Imported	Meat	1 800
	Whole	Frozen	Imported	Smoked	4 700
	Thighs	Frozen	Imported	Bulk	1 250
	Thighs	Frozen	Imported	Free range	1 850
SUPERMARKETS	Whole	Frozen	Local	Free range	2 800
	Whole	Frozen	Imported	Meat	2 200
	Thighs	Frozen	Imported	Bulk	1 025

Source: Diagne, OXFAM Report (2004), Field survey in Dakar (May 2004)

6.6. Is the competitiveness of the frozen chicken meat only given because of the inadequate chains of deep freezing?

EU Answer:

The question should be clarified.

APRODEV comment:

As pointed out in 6.1., slaughtering, freezing, decomposition and cold chain raise the purchase prices of the slaughterhouses compared to those of the producers by almost 100 %. Building up a working cold chain would in most of the African importing countries require huge investments by the importers. To operate the cooling would be expensive due to the high prices for energy in Africa and therefore raise the costs for importers and traders (see point 6.5).

But the indicated import prices for chicken meat (on average € 0.70) and the relatively high selling price (on average € 1.70 €, see point 1.2) demonstrate the currently very high profit margin for the importers. That means that even if the importers would have to invest into a cold chain, the price gap to the local meat would remain - including its ruinous consequences for the local producers. The experiences from Senegal, where the cold chain, former in use for fish and some local chicken only, has been extended to also accommodate chicken meat, are documenting this. But the price for imported chicken in Senegal (see point 1.2) is not decisively higher than in countries without a sufficient cold chain, like Togo or Cameroon.

⁸² Diagne 34

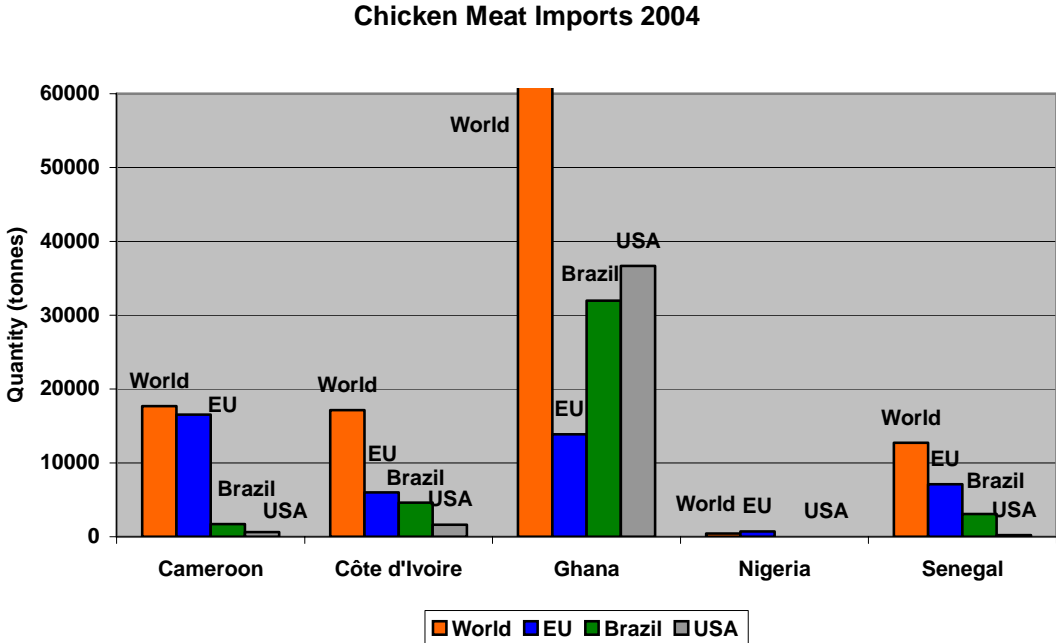
6.7. Is there also a glut of imported chicken from other origins than EU or from new types of domestic chicken industries?

EU Answer:

Imports of chicken in West and Central Africa come also from sources other than EU. It is then possible that new, more efficient local producers have displaced small scale producers; this would explain the increase of the local production in FAO data alongside increasing imports.

APRODEV comment:

The table shows the EU imports of chicken meat in relation to the imports from the USA and Brazil.



Source UNSATA, Eurostat

Since the FAO and UN trade statistics are incomplete, the shares of imports from different origins for the entire CEMAC and ECOWAS regions cannot be traced.

As example the prices for chicken meat imports in Ghana.

Ghana Chicken Imports 2004:

	Import in tonnes	Import Price In €	% From total	Whole Chicken Percentage	Broiler Cuts, €/kg
World	66.419	0.50		4 %	
EU	18.566	0.56	28 %	6 %	0.56
Brazil	9.447	0.58	14 %	17 %	0.59
USA	16.000	0.44	24 %	0	0.44
The Netherlands	12.264	0.57	18 %		0.52
France	605	0.78	1 %		0.69
Germany	231	0.95	0 %		0.52
Belgium	2.290	0.83	3 %	5 %	0.62

Source: Eurostat, UNSTAT

For countries outside the CFA monetary union, particularly Ghana, an increasing tendency for imports from Brazil and USA is obvious, but also Angola. This is connected to the high Euro exchange rate to the US dollar.

Also from Brazil and the USA, predominantly chicken parts, (legs and drum sticks) are imported. The EU imports from Brazil increase, too, particularly as a result of the relocation of the production by the largest European poultry producer, Doux of France. The remains of those „chicken without breast“, which are the main products for export to Europe, either stay in Brazil or they are exported, increasingly to Africa. A study about Brazilian chicken economy proves this.⁸³

Therefore, there is a deep involvement of the European consumers' preferences and agribusiness in the chicken trade between Brazil and Africa. Naturally, the export prices from Brazil to Europe are considerably higher than the export prices from Brazil to Africa. In addition, the export prices from Brazil to Africa correspond very much with the European export prices to Africa (on average € 0.65).⁸⁴

There are no new types of intensive or productive broiler production units in Central and Western Africa. An intensive and large-scale poultry production does in some Western and Central African countries exist, as it does in the egg production. Farms with 10,000 to 50,000 chicks are not the rule but do exist in the vicinity of cities in Senegal, Ghana, Cameroon and Ivory Coast. In the last years there have not been nay substantial new investments into large scale chicken enterprises in the region, due among others also to the crisis created by the import surges.

Being able to compete with European imports is only to a lesser extend - as described above - a matter of the productivity of African small-scale farmers. As long as prices for chicks and feed remain high as in Africa, other disadvantages in the African poultry production, like for instance a higher mortality rate of young chicks and a slower turn-over (compared to Europe), do not really count. The main

⁸³ Oliveira, Marcos Antônio de (2005), A Doux/Frangosul e sua atuação no Brasil, Boletim do Deser, n° 145• agosto/2005

⁸⁴ UNSTAT

comparative advantage of the African producers, their lower labour costs, cannot make big difference.

7.) Policy coherence and EPA negotiations

Whereas EPAs emphasize the opportunity to increase agricultural and industrial production and to increase value added diversification in ACP countries to export to EU markets, the EU aims to make agricultural and value added food exports more price competitive on international markets through CAP reform. Trade statistics show the trend of steadily rising inflows of cheap subsidized EU food and agricultural exports.

EU Answer:

This statements need to be qualified. EPA aim at increasing overall benefits for their developing partners, which does not exclude readjustments in individual sectors. Second, it should be explained to what data the last phrase refers to.

APRODEV comment:

Growth rate of agricultural EU exports (cereals, milk derivatives, meat) to ACP is 6% and thus larger than the growth rate of all EU exports to ACP (5.4%).

High risk of unfair competition for example of tomato puree in CEMAC zone

For example, to cite a few illustrative examples of increasing EU food product exports to Ghana from 1993 - 2003: Prepared and preserved tomato (2002):635%, Miscellaneous food products (2106): 400%; Preparation of cereals (1902): 678%; Mineral water (2202): 217%; Prepared vegetables (2005): 434%. Increase of EU exports to Burkina Faso: Prepared and preserved tomato (2002):788%; Miscellaneous food products (2106): 577%; In CEMAC prepared and preserved tomato imports have increased by three times. Other products with up going export trends towards over the last 5 to 10 years to West and Central Africa are dairy products, soy oil and palm oil, soups, pasta, prepared food and drink, etc., the list is non -exhaustive.

With 40-90% of the population in ACP countries depending directly on agriculture for their subsistence, it is difficult to image which emerging and adjusted competitive sector would be able to provide such numbers of jobs or urban centers to accommodate people. Recalling that social safety nets or social welfare is often totally absent.

Current CET is definitely too low to limit imports, with as result harmful consequences for domestic and regional markets. Tariff elimination on EU imported products will put trade diversion at risk. In many cases customers in developing countries would prefer to import European products that have become

cheaper with zero custom duties, rather than continue to obtain them from their regional partners.

7.1. What measures will the EU take to ensure policy coherence between external impact of CAP reform and EPAs as an instrument for development?

EU Answer:

Among the effects of the CAP reform there is the phasing-out of external distorting effects, and the further opening of the EU market to third countries imports, as most developing countries have been advocating for a long time. By building more attractive investment, production and trade environments in developing countries and therefore reinforcing their production and export capacity, EPA will assist those countries in benefiting more from the new opportunities opened by the CAP reform on their own domestic or regional market, but also on the EU and world market.

APRODEV comment:

The answer builds entirely on the improved impact of the decoupling of EU support measures on trade. There is now an endless list of literature also by international organizations like the World Bank, OECD and FAO, whether the claim that decoupled subsidies with no reduction of the total producer subsidy equivalent (PSE) will really make a big effect on trade distortion, since the farm products still enter the world markets and the prices charged do not cover the total cost of production.

The CAP-Reform does not go along with any substantial reduction of tariffs beyond the magnitude of the administered price cuts and compensation by the direct payments. There are no expectations of additional market access of Third world producers due to the CAP Reform.

The argument leaves aside the impact of CAP-Reform measures on trade preferences, like in the sugar sector.

Ongoing CAP reform will further boost the competitiveness of European exports of processed agricultural products on ACP markets. There are several studies available that clearly show these connections. The majority of the ACP countries have high expectations to diversify their raw agricultural exports by further processing and to increase production capacity for trading at regional markets.

7.2. Will the EU assess the external impact of CAP reform in view of the threat for sustained livelihoods of millions of small poultry, tomato, fruit and vegetable and milk producers in ACP countries who produce and sell on local markets?

EU Answer:

The question seems to assume that the pre-reform CAP always was more beneficial to all ACP. This is paradoxical, as in many cases ACP and other developing countries have been and still are pressing for wider, deeper and more rapid reforms. A clear distinction should be made between actual or potential food-importing and food-exporting countries, which may well have opposite interests in specific sectors. Also, the strategic interest of a country should be considered as a whole, by assessing the interests of all economic stakeholders: producers, consumers and public sector.

In the context of EPA, substantial funds are available for carrying out impact studies and hundred of projects are already in progress, planned or completed. See also point 4.9. above.

APRODEV comment:

There has been much debate and prove over the damaging impact on development of the old CAP. Indeed, the reform measures seem to have taken up some of this criticism and claims that the dumping effects belong to the past. This might be true with regards to the fading out of the export subsidies. However, the decoupled support (blue box measure under WTO) is still under attack because of their "less trade distorting impact"; however, nobody maintains that they do not have any trade distorting effects any more. Thus the reform measures do have to justify by proof that their claims are valid that they have little or none trade distortion any more.

More deep and fundamental reforms developing countries advocate for of the CAP refer exactly to the aspect of a real reduction of the PSE, effective disciplines on the Blue and Green Box type of agricultural subsidies in the EU and actual improved market access. A half hearted reform from the point of development cannot be satisfactory, especially because developing countries do not have the means to counteract the decoupling with paying direct subsidies to their own producers, which would be WTO compatible, however only feasible as instrument for the rich countries.

Almost all of the EPA-countries belong to the category of NFIDC (Net Food Importing Developing Country), however they are exporters of certain specialized cash crops, most of them tropical products or out-of season vegetable/flowers. All of them are highly affected by the CAP impact on exports and imports.

Producers are also consumers. With 40-90% of ACP countries population directly depending on subsistence farming, producers out of job will be consumers not able

to consume. We advocate for strategic long-term approach of ACP countries providing sustained and equitable growth.

7.3. What is done to ensure that impact assessments (SIA) provide an in-depth analysis to determine whether the high level of poultry, dairy, sugar and wheat imports are potentially stifling the development of a domestic poultry, dairy, sugar and wheat industry?

EU Answer:

Most EPA studies are carried out by the ACP states or organizations concerned. The Commission services provide comments and advice at all stages, if so requested.

7.4. Will the EU assess the impact of its fishery agreements with West and Central African countries and its impact on the development of a domestic fish processing industry?

EU Answer:

The EU regularly assesses the impact of the fisheries agreements on the fishery sector of its partner countries in the framework of its preparation for negotiations. The new approach on Fisheries Partnership Agreements requires systematically the carrying out of impact assessments before opening negotiations. Several impact assessments with West and Central African countries have already been carried out, others will follow in the coming years, depending on the calendar of fisheries negotiations.

APRODEV comment:

The most recent SIA on fisheries production and trade in WTO negotiations and substantial reduction of tariffs is likely to have a negative impact on ACP countries.

Unemployment is expected to increase where workers will be laid off or processing plants will close, and women will be particularly affected in plants employing a high proportion of female workers. Higher levels of unemployment, in turn, will lead to increased poverty amongst the workforce of affected industries, including input suppliers, and knock on effects are likely to impact on health and education. The latter may be aggravated through reduced government spending as a consequence of lower revenues.

As for environmental impacts, a declining fisheries and processing sector could well lead to a reduced national management and administration capacity,

resulting in a reduced commitment to monitoring, control and surveillance (MCS) activities by governments in affected countries.⁸⁵

7.5. Which measures will the EU propose in EPA negotiations to increase the range of opportunities and development of value added food-processing activities?

EU Answer:

There cannot be a single answer to this question; it depends on the specific country, region, sector or product involved.

APRODEV comment:

Specific case is poultry sector in Cameroon, the CEMAC or ECOWAS region.

7.6. Which specific measures will be put in place to ensure that poor women are able to benefit from increased opportunities and are enabled to engage in competitive economic activities?

EU Answer:

There cannot be a single answer to this question; it depends on the specific country, region, sector or product involved. Gender is a cross-cutting issue.

APRODEV comment:

For example, on providing financial services for female poultry farmers or SME in the poultry sector in Cameroon: Evidence suggests that impact of massive frozen chicken imports hits women poultry farmers at various levels: first they go bankrupt, subsequently get indebted and not bankable, and will not have access to new credits and cannot launch poultry and hence loose their market shares to producers with assets and access to capital, despite successful ACDIC campaign and regained local markets.

A gender impact study on poultry sector in Cameroon is on its way and results will be presented once available.

⁸⁵ NRI (May 2006) SIA on Fishery Sector Study, see page 11

7.7. How will the agricultural and industrial production and diversification in ACP countries be protected from the threat of increased price competitiveness of EU agricultural exports to ACP markets?

EU Answer:

Through the negotiation process, when it will be agreed that protection is necessary and a certain level of competition is not in the overall interest of a given country or region.

APRODEV comment:

New Questions:

Will the EU support the G33 proposal on Special Products and Special Safeguard Mechanism that was joined by the African Group (dd 11 May 2006)?

Will the EU support an ambitious treatment of Special Products and allow for permanent exclusion of special products from all tariff reductions, possible tariff rearmament, possibility of import quota and long quota periods?

Will the EU support the simplification and therefore effective use by ACP countries of special safeguard measures: eg on trigger criteria (price and/or volume threshold) and mechanism (specific and/or automatic), duration, eligible products, content (additional custom duties and additional quantitative restrictions)?

7.8. Will further elimination of import tariffs or other protective measures help expanding the EU exports to African markets at the expense of local producers and industry that cannot compete against giant agribusinesses?

EU Answer:

The objective of EPA is not to expand EU exports to Africa. Tariff liberalization and other trade policy reforms in respect of the EU will only be considered once the process of regional integration will have been fully discussed and strengthened, bearing in mind the development objectives of the countries and regions concerned.

APRODEV comment:

Reminding that Europe took 30 years of strong protectionism and food self-sufficiency and for its economic integration. In comparison, EU has still an average of up around 50% of tariff protection on food crops or products such as 51%-75% for wheat, 47% for rice, 65% for beef, 75% for milk products/powder and 90% on sugar. CEMAC tariffs are ranging from 5-30% only. In addition, the capacity to compensate its own agricultural producers for lower export prices is inexistent in CEMAC/ ECOWAS countries.

EPA as an instrument for development needs to offer more special and differential treatment that is more flexibilities than WTO negotiations. Thus, it is argued that a new tariff line which allows to effectively providing incentives and certainty to protect the poultry market, one of the important food products for rural development, livelihood security and food security - in line with regional development objectives to increase production. Proposal is to introduce a new tariff line of 50% for food products.

Given the fact that all CEMAC countries are developing countries with five LDCs (DR Congo, Republic of Central Africa, Guinea Equatorial, Sao Tome and Principe, Chad), with Cameroon, Congo Brazzaville and Gabon not being able to access EBA, a trade volume liberalisation of 60-80% would be justified. With increased CET, this would allow to avoid European competition at intra-regional level.

Such an EPA could be respectful of food sovereignty and could allow to protect all those special agricultural products with strategic important (food security, livelihood security, rural development) and non food agricultural products such as tobacco or cut flowers, cotton, etc.

Increased dependency on food imports would expose ACP countries and increase their vulnerability. It would be detrimental to increasing their food security and sovereignty.

7.9. Will the dismantling of all barriers to EU exports and investments in ACP be renegotiated to allow for sufficient flexibility to retain or raise tariffs on EU poultry meat exports?

EU Answer:

Increasing foreign direct investment is an objective of any development strategy; therefore it is not clear what barriers should be maintained to EU or other investments in ACP countries, and in the interest of whom.

No negotiation has started yet on dismantling trade barriers against EU exports to ACP countries; therefore there is nothing to be re-negotiated.

APRODEV comment:

Any discussions on investment cooperation agreements must emphasis and must be adapted to the needs of the country and must prioritise regional integration and regional enterprise. Investment - if domestic or foreign - as part of a development strategy need to prioritise cooperation and investment in factors such as human resources, rural infrastructure (feeder road) and institutional capacity.

Annexe 1: Bibliographical References

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