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ANIMAL PRODUCTS TRADE IN AFRICA IN LIGHT OF THE NEW DEVELOPMENTS OF INTERNATIONAL TRADE

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INTRODUCTION

Livestock play a key role in the economies of most African countries. Livestock contribute from % to % to total Gross Domestic Product (GDP) and from % to % of Agricultural GDP. In addition to providing food for human consumption, livestock generate significant amounts of foreign exchange that is used for other development purposes. In 1990, African countries earned some US$786 million from exports of livestock products (meat, dairy, hides and skins and life animals). In 1998 export earnings rose to US$906 million. At the same time that Africa has earned revenues from livestock exports, it has spent about three times these earnings to import livestock and livestock products. This means that Africa is a net importer of livestock and livestock products and unless exports are increased significantly, Africa will continue to drain its meagre resources to pay for imports. To assist African and other developing countries, a number of new rules and regulations have been put in place to guide international trade in agricultural products. This presentation examines the current situation of African trade in livestock and livestock products in light of the new developments in international trade. The presentation is expected to create more awareness about these new developments and hopefully, enable countries to take advantage of them to increase the trade in livesock and livestock products.

Global vs African trade in livestock and livestock products

Table 1 shows a summary of the value of world and African trade in livestock and livestock products (meat, dairy, hides and skins, and life animals) for 1990 and 1998. World trade in livestock and livestock products increased by 17%, reaching a total value of US$166 billion in 1998. While imports and exports have both increased, net imports have declined significantly from US$4.4 billion in 1990 to US$-1.1 billion in indicating that world exports have increased at a faster rate than imports. Total African trade in livestock and livestock products represents a very small but decling part of world trade. Africa's share in world trade declined from 2.4% in 1990 to 2.0% in 1998, reflecting the fact that African countries have become less open to trade in livestock and livestock products.

Table 1. Value of world and African trade in livestock and livestock products, 1990 and 1998

	1990				1998			
	Imports	Exports	Total trade value	Net imports	Imports	Exports	Total trade value	Net imports
Meat (Million USD):								
World	37,439	34,500	71,939	2,939	42,778	43,165	85,943	-387
Africa	667	155	822	512	587	198	785	389
Africa as % of world	1.78	0.45	1.1	17.42	1.37	0.46	1.0	-100.52
Dairy (Million USD):								
World	21,615	20,592	42,207	1,023	27,027	27,452	54,479	-425
Africa	1,509	19	1,528	1,490	1,544	42	1,586	1,502
Africa as % of world	6.98	0.09	3.6	145.65	5.71	0.15	2.9	-353.41
Hides & skins (Million USD):								
World	6,944	6,729	13,673	215	6,005	6,267	12,272	-262
Africa	46	163	209	-117	17	166	183	-149
Africa as % of world	0.66	2.42	1.5	-54.42	0.28	2.65	1.5	-56.87
Life animals (million USD)*								
World	7,213	6,966	14,179	247	6,641	6,692	13,333	-51
Africa	335	449	784	-114	331	500	831	-169
Africa as % of world	4.64	6.44	5.5	-46.15	5.00	7.47	6.2	331.37
Total value								
World	73,211	68,787	141,998	4,424	82,451	83,576	166,027	-1,125
Africa	2,557	786	3,343	1,771	2,479	906	3,385	1,573
Africa as % of world	3.50	1.14	2.4	40.03	3.00	1.08	2.0	-139.82

* Cattle, pigs, sheep and goats.

Source: Compiled from FAO AgriStat Data Base. Percentages are personal calculations.

Africa has imported more livestock and livestock products than it has exported. Imports reached US$2.6 billion in 1990 compared to an export value of US$0.9 billion. Over time, imports have declined by 3.0% while exports have risen by 15.3%. Net imports have declined, but continue to be high at a value of US$1.6 billion in 1998. The large share of imports in total trade notwithstanding, the balance of trade seems to have improved with an 11% reduction in net imports between 1990 and 1998.

Almost all African countries import one form of livestock product or another. However, countries vary in the type and quantity of livestock products exported. Major exporters of live animals include Namibia, Chad, Mali, Niger, CAR and Somalia. Those that export significant quantities of meat are Botswana, Egypt, Namibia, South Africa, Sudan, Swaziland and Zimbabwe whereas major exporters of dairy products are South Africa, Zimbabwe, Tunisia, Kenya and Togo. For the other countries, exports of livestock and livestock products are negligible and even zero for some countries. Overall, exports are quite small relative to imports. The factors that account for this include the lack of competitivity in the world market due in part to a low comparative advantage in livestock production and a number of technical, institutional and policy problems.

Livestock and livestock products trade in Africa

Although livestock contribute significantly to GDP in some African economies, the overall share of livestock trade in total merchandise trade is quite small, averaging about 5%. Of total agricultural imports, livestock account for 16% with meat and live animal imports representing 9%, dairy and eggs imports 6% and the other livestock products 1%. These proportions vary from one country to another, being as high as 40% in Liberia and less than 0.5% in Chad, Ghana, Kenya, Mauritius, Tanzania, Uganda, Zambia and Zimbabwe. Over time, there has been a noticeable change in the share of livestock trade in total merchandise trade. Between 1988 and 1994 for example, livestock's share in total imports increased from 3.7% to 4.9% whereas the share in agricultural imports declined from 17.8% to 15.6% (Table 2). Except Sierra Leone, the relative share of livestock in total merchandise imports in the other African countries was less than 10% in 1988. By 1994, Liberia, Sierra Leone and the Democratic Republic of Congo (former Zaire) had more than 10% of livestock imports in total merchandise imports.

In 1988, 25 African countries had more than 10% of livestock imports in their total agricultural imports. In 1994, only 18 countries had more than 10%. This reflects either a reduction in imports of livestock and livestock products, majority of which consist of meat and dairy products, or an increase in imports of other agricultural commodities. While the share of meat and live animals in agricultural imports remained at about 9% between 1988 and 1994, the share of dairy and eggs imports dropped from 8.7% to 5.8%.

Countries with more than 20% of meat and live animal imports in their agricultural imports include the Central African Republic (CAR), Congo, Cote d'Ivoire, Gabon, Nigeria, Sierra Leone, South Africa and the Democratic Republic of Congo. Countries that have significantly increased their meat share in agricultural imports are the CAR, Cote d'Ivoire, Ghana, Mauritius, Morocco, Nigeria, Sierra Leone, the Democratic Republic of Congo and Zambia. As far as the share of dairy and eggs imports is concerned, the number of countries with more than 10% of dairy products in their agricultural imports declined from 14 in 1988 to 4 in 1994. In 1994 Mali, Mauritius, Reunion and Seychelles were the only countries having over 10% of dairy products in their agricultural imports.

In terms of exports, livestock and livestock products account for about 10%, with exports of meat and live animals representing 9%, dairy and other livestock products making up the remaining 1%. In the last decade, a major change has also occurred in the relative share of livestock in total and agricultural exports. The share of livestock in total trade decreased from 8.1% to 5.6% whereas the share in agricultural exports remained at about 10% (Table 3). While the share of meat and live animal exports have declined by about 18% to 8.8% in 1994, the share of dairy products exports have doubled from o.2 to 0.4%.

In Chad, Mali and Somalia, exports of livestock and livestock products make up a significant part of total and agricultural exports. In 1988 27% of total merchandise and 35% of agricultural exports in Chad consisted of livestock and livestock products. In Mali, the respective shares were 39% and 48%. In Somalia, over half of total merchandise exports and over 90% of agricultural exports have consisted of livestock and livestock products. While the share of livestock in Somalia's total trade has stagnated at 52% between 1988 and 1994, the share of livestock in total agricultural exports increased from 58% to 91%. This reflects the significant role that livestock trade has and will continue to play in the Somalian economy. It also reflects a decline in exports of other agricultural commodities. For countries such as Cote d'Ivoire, Senegal and Zambia, there have virtually been no exports of livestock and livestock products.

Table 2. Share of livestock imports in total and agricultural imports Africa, 1988 and 1994

Country	1988				1994			
	Livestock imports as % of imports	Livestock as % of agric. imports	Meat[1] as % of agric. imports	Dairy as % of agric. imports	Livestock imports as % of imports	Livestock as % of agric. imports	Meat[1] as % of agric. imports	Dairy as % of agric. imports
Algeria	5.9	20.6	2.8	17.8	1.1	3.4	1.7	1.7
Burkina Faso	4.0	19.3	1.5	17.8	1.4	7.6	0.0	7.5
Cameroon	1.9	14.2	6.6	7.5	1.2	9.7	2.1	7.6
Central Africa Rep.	3.5	2.1	15.6	6.5	8.1	27.3	22.1	5.2
Chad	1.1	13.4	5.3	8.1	0.2	4.3	0.9	3.4
Congo	5.7	33.5	22.0	11.4	6.3	33.2	23.5	9.7
Cote d'Ivoire	8.4	42.3	22.4	19.8	5.7	33.3	26.8	6.5
Egypt	4.5	12.1	11.4	0.7	9.3	34.4	11.9	5.3
Ethiopia	1.6	5.8	0.3	5.5	na	na	na	na
Gabon	5.3	34.9	27.2	7.6	5.3	35.9	27.2	8.7
Gambia	5.8	14.7	5.2	9.5	3.7	9.9	3.2	6.7
Ghana	1.1	8.0	2.6	5.3	0.2	21.7	17.8	3.9
Kenya	0.0	0.6	0.5	0.0	0.2	1.3	0.1	1.2
Liberia	3.8	16.9	10.2	6.6	40.1	10.2	6.2	3.9
Madagascar	1.2	11.1	0.3	10.8	0.9	5.7	0.6	5.1
Malawi	0.8	7.4	0.4	7.1	1.2	3.4	0.3	3.1
Mali	2.8	14.6	2.5	12.1	1.9	10.8	0.4	10.4
Mauritius	3.2	25.2	10.1	15.1	0.4	30.8	15.2	15.5
Morocco	1.4	9.3	1.8	7.4	2.1	12.8	5.6	7.2
Nigeria	2.9	26.9	16.4	10.5	4.2	30.3	24.8	5.5
Reunion	6.1	33.5	19.7	13.8	5.7	32.1	19.4	12.6
Sierra Leone	11.0	20.9	16.5	4.5	16.1	25.9	21.0	4.9
Somalia	0.9	4.9	4.9	0.0	1.1	2.4	2.4	0.0
Senegal	6.4	23.4	9.1	14.3	6.7	20.2	10.7	9.5
Seychelles	3.6	21.6	11.2	10.4	3.5	22.4	6.2	16.2
South Africa	1.7	28.2	26.8	1.4	1.5	22.5	21.2	1.3
Sudan	2.7	10.8	0.4	10.4	1.2	5.0	0.1	4.8
Tanzania	0.7	8.4	1.9	6.5	0.3	2.9	1.7	1.2
Togo	3.5	15.4	10.3	5.0	1.4	11.3	4.7	6.5
Tunisia	2.2	12.2	4.6	7.5	1.0	9.5	3.0	6.5
Uganda	1.3	25.3	3.4	21.9	0.0	0.0	1.0	3.1
Zaire	8.3	28.9	18.9	10.1	13.1	28.0	23.9	4.1
Zambia	0.2	2.3	0.7	1.6	0.3	7.2	2.4	4.8
Zimbabwe	0.3	5.8	5.0	0.8	0.0	0.7	0.6	0.0
Total Africa	3.7	17.8	9.1	8.7	4.9	15.6	9.3	5.8

[1] Includes live animal imports

Source: Computed from FAO Trade Yearbook statistics

Table 3. Share of livestock exports in total and agricultural exports Africa, 1988 and 1994

Country	1988				1994			
	Livestock exports as % of exports	Livestock as % of agric. Exports	Meat[1] as % of agric. exports	Dairy as % of agric. exports	Livestock exports as % of exports	Livestock as % of agric. exports	Meat[1] as % of agric. Exports	Dairy as % of agric. Exports
Burkina Faso	4.0	6.6	6.6	0.0	na	na	na	na
Central Africa Rep.	8.5	20.4	20.4	0.0	na	na	na	na
Chad	27.4	35.3	35.3	0.0	na	na	na	na
Cote d'Ivoire	0.04	0.06	0.0	0.06	0.0	0.0	0.0	0.0
Egypt	0.5	1.9	1.4	0.5	0.5	2.9	1.9	1.1
Ethiopia	4.2	4.4	4.4	0.0	na	na	na	na
Kenya	0.4	0.6	0.3	0.4	0.5	0.8	0.3	0.6
Madagascar	0.4	0.6	0.6	0.0	1.3	2.1	2.1	0.0
Mali	39.2	47.5	47.5	0.0	na	na	na	na
Mauritius	0.04	0.1	0.1	0.0	1.3	4.6	4.6	0.04
Reunion	0.1	0.1	0.1	0.1	0.3	0.5	0.2	0.2
Somalia	51.5	57.8	57.8	0.0	51.6	91.3	91.3	0.0
Senegal	0.1	0.3	0.1	0.1	0.02	0.1	0.01	0.1
South Africa	0.1	1.2	0.9	0.3	0.2	2.5	0.8	1.7
Sudan	6.8	6.8	6.8	0.0	10.9	11.4	1.6	0.0
Tunisia	0.4	4.8	5.7	0.02	0.4	3.4	2.0	1.4
Zambia	0.02	1.4	0.7	0.7	0.0	0.0	0.8	0.4
Zimbabwe	2.7	7.3	6.7	0.6	na	na	na	na
Total Africa	8.1	10.6	10.8	0.2	5.6	10.0	8.8	0.4

[1] Includes exports of live animals   Source: Computed from FAO Trade Yearbook data

The evidence presented above on increasing net imports demonstrates the inability of African countries to promote exports. This reflects the structural and institutional weaknesses inherent in the economies. The key factors that have led to this include developments in domestic livestock production and pricing, distortions in domestic and international trade policies and the inability of regional trade organizations to promote inter and intra-regional trade in livestock and livestock products.

Domestic livestock production

Jaeger (1992) has presented empirical evidence that the decline in Africa's agricultural exports and the growth in food imports and food aid is as a result of slow growth in domestic production resulting from macro-economic policy distortions; deteriorating real prices paid to agricultural producers; changes in the structure of demand; and changes in the ratio of import to domestic food prices. Together with unfavorable climatic conditions, these factors have helped to tilt the internal terms of trade against agriculture, leading to market distortions that have favored imports at the expense of exports. Without exploring further the reasons behind the decline in livestock production in Africa, as this is not the object of this paper, it is quite clear that inadequate domestic livestock production has stifled exports and has fuelled the growth in imports and food aid.

In 1998, Africa produced 17% of the world's cattle, 25% of small ruminants and only 3.0% of pigs, with populations of 223, 442 and 27 million heads respectively (Table 4). In terms of livestock products, Africa produced only 4% of the world's meat, dairy products and eggs and 9% of the world's hides and skins in 1995 (Table 5). In 1995, 16 and 22 million metric tonnes of meat and dairy products were produced compared to 1.7 and 0.8 million metric tonnes of eggs and hides and skins respectively.

Table 4. Livestock population in Africa and Africa's share in world livestock population, 1989-91 to 1995

	1990	1995	1998
Cattle (million heads):			
World	1,296	1,320	1,335
Africa	188	202	223
Africa as % of world	14.5	15.3	16.7
Small ruminants (million heads):			
World	1,785	1,157	1,767
Africa	373	414	442
Africa as % of world	20.9	35.7	25.0
Pigs (million heads):			
World	868	895	883
Africa	17	22	27
Africa as % of world	2.0	2.5	3.0

Source: Compiled from FAOSTAT Database Results.

Judging from total production indices, livestock production appeared to have performed quite well in the last one and one half decades. The index of total production has increased by 39% from 88.3 in 1985 to 122.5 in 1999 compared to a 31% increase in the index of total world production (Table 6). On a per capita basis however, Africa presents quite a different picture. While the world's per capita production index has increased by about 6.2% between 1985 and 1999, the index of per capita production in Africa has declined by 2.8% from 101.2 to 98.3. At the same time, domestic consumption has increased, necessitating an increase in imports. In 1993 for example, meat consumption outpaced domestic production by 3%, the difference of which was met from meat imports of 554,000 and 584,000 metric tonnes. The evidence of production lagging behind consumption clearly means that exports of livestock products cannot increase even with pursuance of the best trade policies.

Trade policy distortions

Policy instruments adopted by African countries to foster livestock trade have had both positive and negative impacts on livestock trade and marketing. Cross-border trade barriers created by individual countries have greatly undermined the objective of fostering inter and intra-African trade in livestock. The result has been limited trade between regional trade bloc members. While most governments

Table 5. Production of livestock products in Africa and Africa's share in total world production, 1993 and 1995 (1000 metric tonnes).

Livestock products	1993			1995			% growth in share of World Production
	World	Africa	% of world production	World	Africa	% of world production	
MEAT:							
Beef and veal	51,753	3,456	6.7	53,217	3,445	6.5	-3.0
Mutton and lamb	7,047	930	13.2	7,012	950	13.5	2.3
Goat meat	2,954	644	21.8	3,262	662	20.3	-6.9
Pig meat	75,299	736	1.0	83,170	764	1.0	0.0
Poultry meat	190,737	9,147	4.8	207,113	9,348	4.5	-6.2
Beef and buffalo meat	76,085	734	1.0	85,203	759	0.9	-10.0
Horse meat	503	13	2.6	513	13	2.5	-3.8
Total meat	404,378	15,660	3.9	439,490	15,941	3.6	-7.7
EGGS:							
Hen eggs	38,605	1,705	4.4	41,536	1,691	4.1	-6.8
DAIRY:							
Fresh cow milk	463,582	15,176	3.3	465,749	15,779	3.4	3.0
Buffalo milk	45,949	1,556	3.4	49,529	1,590	3.2	-5.9
Sheep and goat milk	17,544	3,283	18.7	17,898	3,466	19.4	3.7
Cheese	14,306	488	3.4	15,109	510	3.4	0.0
Butter and ghee	6,963	174	2.5	6,738	179	2.6	4.0
Dry and evaporated milk	7,050	60	0.8	6,900	64	0.9	12.5
Other dairy products	5,154	33	0.6	5,164	32	0.6	0.0
Total dairy	560,548	20,770	3.7	567,087	21,620	3.8	2.7
HIDES&SKINS:							
Cattle and Buffalo hides	6,835	571	8.3	7,004	575	8.2	-1.2
Sheep & Goat skins	2,346	277	11.8	2,532	283	11.2	-5.1
Total hides and skins	9,181	848	9.2	9,536	858	9.0	-2.2

Source: Compiled from FAO, Production Yearbook, 1995.

Table 6. Total and per capita livestock production indices in Africa, 1985 to 1999

Year	World		Africa	
	Total livestock production	Per capita livestock production	Total livestock production	Per capita livestock production
1985	89.4	97.3	88.3	101.2
1986	92.1	98.6	89.5	99.7
1987	93.8	98.6	91.8	99.5
1988	96.4	99.6	94.5	99.7
1989	97.8	99.4	97.3	99.9
1990	100.5	100.4	100.4	100.4
1991	101.7	100.1	102.2	99.6
1992	102.0	99.0	104.4	99.2
1993	103.6	99.0	105.3	99.6
1994	106.4	100.3	107.0	96.7
1995	108.8	101.1	110.3	97.3
1996	110.3	101.1	113.0	97.3
1997	113.1	102.2	117.4	98.7
1998	115.9	103.5	119.6	98.2
1999	117.3	103.3	122.5	98.3

justify import taxation and licensing on grounds of protecting the local industry, government revenue generation has often been the overriding decision factor. As members of the Preferential Trade Area (PTA) of eastern and southern African countries, the Comoros and Djibouti have often argued that they are very small economies that depend on customs duties for government revenue and therefore should be exempt from reductions in tariffs (Nguyuru *et al.*, 1991). Guided by the objective of government revenue generation, most African countries have erected both tariff and non-tariff barriers (quantitative restrictions, export and import licensing, foreign exchange licensing, conditional permission for imports, and special charges for acquiring foreign exchange licences); in effect distorting domestic prices, production and consumption of livestock products.

Cleaver (1994) has shown how foreign exchange shortages in the Franc CFA and non-CFA countries of sub-Saharan Africa has discouraged intra-regional trade in agricultural products because of the imposition of import licensing and foreign exchange allocation by governments. In mid-1989 Cote d'Ivoire imposed a ban on poultry meat to protect the domestic poultry industry and by January 1991 a countervailing levy of 200 Francs CFA was put on beef imports to protect the cattle industry. While protecting the local industry and ostensibly raising government revenues, the levy prevented Mali and Burkina Faso who are ECOWAS members from exporting livestock to Cote d'Ivoire. At the same time the measure raised the price of capa (deboned frozen meat) by 68% - from 325 Francs CFA to 525 Francs CFA/kg (Shapiro, 1993). Capa imports fell as a result, in effect, depriving low income consumers of animal protein. In Ghana, another member of ECOWAS, the government instituted three *ad valorem* tariff rates of 0%, 10% and 25% on imports with livestock and meat imports being subject to the highest rate of 25%. Prior to 1994, Chad imposed a 14.6% levy on cattle exports, in effect, curtailing exports to its major importers Gabon and Congo who are also members of UDEAC (Terab, 1993). As shown in Table 8, export price fixing by the Chadian government has significantly increased the CIF price of beef and live cattle in importing countries. In addition to raising retail market prices, official taxes and duties levied in exporting and importing countries have led to higher livestock marketing costs, discouraging further intra-African livestock trade.

Prior to the January 1994 devaluation of the Franc CFA, an overvalued real effective exchange rate in the Francophone Central and West African countries significantly affected trade in livestock and livestock products by putting a downward pressure on real domestic prices, in effect, fuelling the increase in imports of livestock products and discouraging domestic production and trade. As shown in Table 7 meat imports in the Franc zone reached 103,380 metric tonnes in 1993 prior to devaluation. By the end of 1994, imports dropped by 34% to 68,440 metric tonnes. In principle, devaluation of a currency should make imported livestock products more expensive and exports cheaper. For countries with overvalued currencies, importing livestock products would be relatively expensive while exporting livestock products would be enhanced through currency devaluation. However, because of distortions in the world the extent to which exporting African countries will realise export opportunities from devaluation is uncertain. In 1994 when the European Union (EU) reduced subsidies on beef exports by over 30% and the Franc CFA was devalued, the EU beef price rose by 50%, causing exports from the Franc CFA countries to non-Franc CFA countries to increase (Mbuza, 1997; Afrique Agriculture, 1994).

Inability of regional trade blocs to foster intra-African livestock trade

Judging from the decline in Africa's share in world trade in livestock and livestock products, it has become quite clear that African regional trade groups created with a view to promoting trade have so far not achieved their objectives. Trade in livestock and livestock products has not developed any more than was originally envisaged. Statistics on trade by regional trade groups are presented in Tables 8 and 9. Except SACU, there does not seem to be evidence of an increase in the share of livestock trade by COMESA, ECOWAS and UDEAC. Rather, ECOWAS's total trade share in African trade has dropped by 46% from 41.6% in 1990 to 22.5% in 1994 (Table 9). The respective decline in trade shares are 28% and 4% for UDEAC and COMESA during the same period.

In terms of the absolute value of trade, while the value of total trade increased for COMESA and SACU by 19% and 92% respectively, total trade value declined for ECOWAS and UDEAC by 33% and 12% respectively between 1990 and 1994. ECOWAS, which commanded the largest share of 42% in regional meat trade in Africa, has significantly decreased meat imports but has made little effort to increase meat exports. COMESA, the second largest trade bloc with 38% of meat trade, has also decreased meat imports by 5% from US$421 million in 1990 to US$230 million and at the same time has more than doubled meat exports from US$53 million to US$120 million (Table 10). Although consisting only of a few countries, SACU has doubled its share in total meat trade to US$442 million in 1994, with most of the increase coming from meat imports. This has also led to a six fold increase in SACU's net imports from US$20 million in 1990 to US$120 million in 1994. UDEAC remains the only regional trade group that has made the least progress in meat trade with imports declining from US$89 million to US$78 million and exports increasing to US$0.4 million. As far as trade within the PTA is concerned, Nguyuru *et al* (1991) found no evidence of an increase in intra-PTA trade arising out of the implementation of the PTA program. The share of intra-PTA trade in total trade has been less than 10%. Overall, regional trade organisations have been less successful in promoting inter and intra-African trade in livestock.

Table 7. Meat imports into the Franc zone of Central and West Africa, 1992 -1994 (1000 metric tonnes)

Country	1992	1993	1994
Benin	11,860	20,610	12,930
Burkina Faso	50	30	0
Cameroon	1,380	420	250
Central African Republic	100	150	300
Chad	20	30	20
Congo	39,450	34,080	23,790
Cote d'Ivoire	17,390	14,340	3,700
Equatorial Guinea	1,950	2,600	2,350
Gabon	26,150	27,130	22,340
Niger	180	30	20
Senegal	2,460	2,070	610
Togo	'2,150	1,890	2,130
Total Franc zone	103,140	103,380	68,440
Annual change (%)		0.2	-34.0

Source: Compiled from FAO Trade Yearbooks

Table 8. Regional trade in meat in Africa, 1990 and 1994 (million US dollars)

	1990				1994			
Trade region	Value of imports	Value of exports	Total trade value	Net import value	Value of imports	Value of exports	Total trade value	Net import value
Total Africa	615	133	748	482	737	195	932	542
COMESA	241	53	294	188	230	120	350	110
ECOWAS	311	0.2	311.4	311	209	0.4	209.4	208.6
UDEAC	89	0.0	89	89	78	0.4	78.4	77.6
SACU	105	125	230	-20	281	161	442	120

Source: Compiled from FAO Trade Yearbook statistics.

Table 9. Regional trade groups' share in meat trade in Africa, 1990 and 1994 (%)

	1990			19994		
Trade region	Share of imports	Share of exports	Share of total trade	Share of imports	Share of exports	Share of total trade
COMESA	39.20	39.97	39.33	13.43	61.69	37.58
ECOWAS	50.59	0.13	41.59	12.20	0.20	22.46
UDEAC	14.41	0.0	11.84	4.58	0.23	8.46
SACU	17.14	93.77	30.80	16.42	82.68	47.45

Source: Computed from FAO Trade Yearbook statistics.

Table 10. Numerical targets for cutting subsidies and protection under the Agriculture Agreement of the Uruguay Round

	Developed countries 6 years: 1995-2000	Developing countries 10 years: 1995-2004
Tariffs:		
Average cut for all agricultural products	-36%	-24%
Minimum cut per product	-15%	-10%
Domestic support:		
Total aggregate measurement of support (AMS) cuts for sector (base: 1968-88)	-20%	-13%
Exports:		
Value of subsidies	-36%	-24%
Subsidized quantities (base: 1986-90)	-21%	-14%

New Developments in International Trade in Livestock and Livestock Products

The original General Agreement on Tariffs and Trade (GATT) applied to trade in agricultural products. However, there were several shortcomings. For example, it allowed countries to (i) use some non-tariff measures such as import quotas and (ii) provide export subsidies. These measures made trade in agricultural (including livestock products) to be highly protective and led to distortion and unfair trade practices. The Uruguay Round (UR) agreement which began in September 1986 was the first step towards order, fair competition and a less distorted agricultural trade. Over a six year period (ten years for developing countries) beginning in 1995, signatories to the UR agreed to initiate negotiations for reform in agricultural trade.

The Agriculture Agreement of the UR was intended to reform trade in the sector and to make policies more market-oriented through reductions in agricultural subsidies and protection. New rules and commitments aimed at improving predictability and security for importing and exporting countries were to apply to (i) market access involving various trade restrictions confronting import; (ii) domestic support through subsidies that raise or guarantee farmgate prices and farmers' incomes; and (iii) export subsidies and other methods used to make exports artificially competitive. The Agriculture Agreement also allowed governments to support their rural economies, but preferably through policies that cause less distortion to trade. Developing countries do not have to cut their subsidies or lower their tariffs as much as developed countries, and they are given extra time to complete their obligations. For countries that depend heavily on food imports, special provisions are provided as well as for the least developed countries.

With regard to market access in agricultural products, the new rule deals with tariffs only. Prior to the UR, some agricultural products imports were restricted by quotas and other non-tariff measures. The Agricultural Agreements have replaced these by tariffs that provide more-or-less equivalent levels of protection. For example, if the previous policy meant that domestic prices were 50% higher than world prices, then the new tariff would be around 50%. The agreement ensured that quantities imported before the agreement could continue to be imported, and it guaranteed that some new quantities were charged duty rates that were not prohibitive. This was achieved by agreeing to lower tariff rates for specified quantities, higher rates for quantities that exceed the quota. The newly committed tariffs and tariff quotas, covering all agricultural products, took effect in 1995. UR participants agreed that developed countries would cut the tariffs by an average of 36%, in equal steps over 6 years. Developing countries would make 24% cuts over 10 years (Table 10). Least developed countries do not have to cut their tariffs.

Concerning domestic support, the main complaint about policies which support domestic prices, or subsidize production in some other way, is that they encourage over-production. This squeezes out imports or leads to export subsidies and low-priced dumping on world markets. The levels of domestic support have been calculated by WTO members as "total aggregate measurement of support (AMS)" for agricultural products using base years of 1986-88. Domestic policies that do have a direct effect on production and trade have to be cut back. Developed countries have agreed to reduce the AMS by 20% over 6 years starting in 1995 while developing countries have agreed to reduce them by 13% over 10 years. The least developed countries do not have to make any cuts.

For export subsidies, the Agriculture Agreement prohibits export subsidies on agricultural products unless the subsidies are specified in a member's list of commitments. The agreement requires WTO members to cut both the amount of money they spend on export subsidies and the quantities of exports that receive subsidies. Taking averages for 1986-90 as the base level, developed countries agreed to cut the value of export subsidies by 36% over 6 years starting in 1995 and 24% over 10 years for developing countries. Developed countries also agreed to reduce the quantities of subsidized exports by 21% and developing countries by 14%. No cuts by the least developed countries.

Table 11. Concessions on tariff reductions for agricultural products trade received by African countries for products exported to their trading partners

Country	% of exports affected	Post-Uruguay Round rate (%)	Tariff reduction rate (%)	Post-Uruguay round bound rate (%)
Algeria	0.1	4.3	14.3	4.4
Angola	0.0	0.0	-	0.3
Benin	0.6	0.2	14.3	0.6
Botswana	95.4	60.8	8.5	61.0
Burkina Faso	0.2	0.0	14.3	0.5
Burundi	0.0	0.0	14.3	0.2
Cameroon	0.3	-0.1	14.3	0.3
CAR	0.0	0.0	-	0.1
Chad	0.0	0.0	-	0.9
Congo	0.0	101.9	-	101.9
Cote d'Ivoire	0.1	0.9	14.2	2.6
Djibouti	0.0	51.6	-	71.5
Egypt	0.1	0.2	7.8	5.8
Equatorial Guinea	0.0	0.0	-	0.0
Ethiopia	0.1	0.0	23.2	0.1
Gabon	0.0	2.9	-	4.0
Gambia, The	0.0	39.4	-	39.4
Ghana	1.1	0.5	14.3	0.8
Guinea	0.2	1.9	8.5	2.8
Guinea Bissau	0.0	0.0	-	76.6
Kenya	0.8	0.8	30.8	1.1
Lesotho	0.0	0.0	-	1.1
Liberia	1.4	1.3	74.6	1.4
Libya	2.5	10.8	5.9	29.4
Madagascar	0.2	14.2	14.3	15.8
Malawi	0.0	14.1	56.2	15.1
Mali	1.1	0.0	14.3	1.6
Mauritania	0.0	-6.2	-	13.8
Mauritius	2.1	140.2	11.5	140.2
Morocco	0.0	1.5	5.7	3.1
Mozambique	12.6	27.3	14.3	31.8
Namibia	26.5	0.8	20.9	0.8
Niger	0.4	0.1	68.0	0.3
Nigeria	0.5	0.2	14.3	2.0
Rwanda	0.0	0.0	5.9	0.0
Senegal	0.0	0.0	15.6	0.9
Sierra Leone	0.0	0.0	-	0.1
Somalia	0.0	0.0	-	0.1
South Africa	20.5	30.3	16.1	59.5
Sudan	0.1	7.6	35.1	9.1
Tanzania	5.1	5.7	9.1	13.4
Togo	0.0	-0.1	5.9	2.1
Tunisia	0.0	0.2	5.9	0.6
Uganda	0.0	0.0	-	0.2
Zaire (DRC)	0.1	0.0	1.2	0.3
Zambia	0.0	-0.1	-	5.5
Zimbabwe	11.7	21.7	19.1	22.6
Sub-Saharan Africa	3.3	16.1	15.6	19.7
World	13.3	25.0	32.8	32.5

Source: Finger *et al.*, 1996.

Table 12. Concessions in tariff reductions rates (%) and bindings on imports of agricultural products (excluding fish) trade given by African countries before and after the Uruguay Round (UR)

Country & region	Pre-Uruguay Round rate	Post-Uruguay Round rate	Above applied rates	Applied rates	Below applied rates
Senegal	13.4	99.9	99.9	0.0	0.0
Tunisia	0.0	100.0	0.1	99.9	0.0
Zimbabwe	3.5	99.8	99.8	0.0	0.0
North Africa	0.0	100.0	0.1	99.9	0.0
Sub-Saharan Africa	12.9	99.9	99.9	0.0	0.0
World	65.6	100.0	14.0	72.4	13.5

Souce: Compiled from Finger *et al.*,1996.

The usefulness of the Agriculture Agreement is that the tariffs when applied equally to all trading partners are key to the smooth flow of trade in agricultural products including livestock and livestock products. For Africa, almost all countries received concessions on tariff reductions for agricultural products from their trading partners. As shown in Table 10, Africa as a whole received a concession on tariff reduction rates of 15.6% and a post-Uruguay Round bound rate of 19.7%. Concessions on tariff reduction rates received ranged from 1.2% for the Democratic Republic of Congo to 74.6% for Liberia. With regard to concessions in tariff reductions rates given, only three countries -- Senegal, Tunisia and Zimbabwe -- gave concessions to their trading partners. For sub-Saharan Africa, the concesssion rose from the pre-Uruguay Round rate of 12.9% to 99.9% during the post-Uruguay Round period (Table 12).

Trade regulations for animal and plant products

To ensure that consumers are supplied with safe food of animal and plant origin, a separate agreement on food safety and animal and plant health standards known as **Sanitary and Phytosanitary Measures (SPSM)** was negotiated under the UR. The SPSM sets out the basic rules which allow countries to set their own standards. The regulations set by each country must of necessity, be based on scientific evidence. The regulaltions apply only to the extent that they protect human, animal or plant life or health and should not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail. Where international standards, guidelines and recommendations exist, member countries are encouraged to use them. However, members may use measures which result in higher standards based on appropriate assessment of risks so long as the approach is consistent, not arbitrary.

To guarantee an exporting country that what it applies to its products are acceptable in an importing country, the SPSM rules provide that if an exporting country can demonstrate that the measures it applies on its exports achieve the same level of health protection as in the importing country, then the importing country is expected to accept the exporting country's standards and methods. The agreement includes provisions on control, inspection and approval procedures. Governments must provide advance notice of new or changed sanitary and phytosanitary regulations, and establish a national enquiry point to provide information.

Countries involved in livestock and livestock products trade are expected to comply with the SPSM and unless they do so, they cannot reap the benefits of a liberal trade environment introduced under the new developments in international trade.

Progress in livestock and livestock products trade in light of new developments in international trade

So far, the policy adjustment process which has been in existence in some countries in the last half decade is beginning to bear some fruit. In West Africa for example, an integrated approach to reform promoted by the USAID's Implementing Policy Change (IPC) project has led to regional integration of livestock trade among Burkina Faso, Cote d'Ivoire, Ghana, Mali and Togo. Reform measures to improve the efficiency of intra-regional trade in livestock and livestock products among these countries have led to significant progress in trade liberalisation through the simplification of import and export procedures and the elimination of trade barriers. Between 1993 and 1995 a number of policy measures have been implemented. Burkina Faso standardised business license (*patente*) fees; Cote d'Ivoire suppressed quasi-official levies imposed at border crossings by labor unions and reduced the number of road checkpoints; Mali suppressed the "contribution directe" but exporters still have to pay certain other fees (export/import *petente*, shipping and documentation) indirectly through a licenced import-export trader.

In Ghana, the fixed exchange rate which existed from 1957 to 1983 was replaced by a liberalised and flexible exchange rate in 1983 with the onset of the structural adjustment program. Recently, Ghana abolished the value-added tax (VAT) of 17.5% in August 1995. Even though these measures have helped to eliminate the inefficiencies introduced by an overvalued Ghanaian currency, the weak Cedi vis-a-vis the currency of major trading partners, has led to instability in the exchange rate. As a group Ghana, Mali and Cote d'Ivoire have organised means of regularly exchanging market policy information (Wenner and Mooney, 1995; USAID, 1991). In May 1994 Chad reduced the export duty on livestock from 14.6% to 12.6% and abolished the 10% tax on depreciation. Overall, Chad reduced export taxes on livestock by 40% (Susani *et al.*, 1995). Cameroon began its trade reforms in 1989 with the aim of eliminating quantitative restrictions (QRs) on imports. In 1991 all QRs were removed in three stages. Import licensing, export taxes, insurance and transportation taxes were also eliminated.

In Kenya, quantitative restrictions in the form of quotas and extensive licensing have been the major constraint to trade. Kenya's main trade policy instrument is tariffs. Recent trade reforms have aimed at replacing QRs with near-equivalent tariffs, as well as making the import licensing process more transparent and speedy. Kenya has dismantled most non-tariff restrictions and has simplified the tariff structure through reduction of the number of bands from eight in 1994 to five and has lowered the maximum ad valorem rates from 60% in 1992 to 25% in 1999. The maximum suspended duty of 70% also applies to milk. Some 15% of Kenya's tariff lines are bound at ceiling rates ranging from 10% on pharmaceutical products to 100% on all agricultural products including livestock products. Like Kenya, Tanzania has adopted a trade policy framework that has been significantly liberalized and based on tariffs. Emphasis has been placed on promotion of agricultural exports through the elimination of export restrictions. A five-tier tariff structure of 0%, 5%, 10%, 20% and 25% has been adopted with a simple average applied import duty of 16.2%.

It is important to note that most African countries are founding members of the World Trade Organization, and have signed the Final Act of the Uruguay Round as well as the Marrakesh Agreement of April 1994. As with other WTO members, African countries have adopted the entirety of the results of the UR. These countries benefit from the special and differential treatment afforded to developing countries in the form of exemptions or delayed implementation of certain provisions. They receive the full range of concessions offered by these agreements. Goods from these countries are exempt from import duties and enjoy non-reciprocal preferential access to the markets of developed countries through the Generalized System of Preferences. However, due to the limited export capacities of these countries, the benefits that they reap from these preferential arrangements are minimal.

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