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Panel I : Known problems and known solutions: Identifying the missing link

Developing local and regional markets to promote employment and growth

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Abstract

The growth of agriculture is considered to be an agent of development for developing countries. However, Africa has not been able to make much out of transacting in agricultural produce. The public policies pursued during the last three decades contributed to confining the local and regional markets to the simple distribution of imported products. Weak performance, as well as the persistence of multiple failures – monetary and commercial difficulties, poor service delivery and poor infrastructure, corruption and irritating red tapes – has meant that African domestic and regional markets could not play their part as agents of growth, job creation and poverty eradication. They are characterized by a weak structure and lack connection. For instance, volume of intra-regional trade oscillates between 1.8% within the CEMAC, and 20% only for the SADEC.

But beyond the factors mentioned above, African local and regional markets remain a potential source of growth and employment. They can constitute a genuine instrument for the development of the continent, if the opportunities which they offer are judiciously exploited. These opportunities include the increase in population and accelerating urbanization, and developments in the international environment marked by high prices of primary commodities.

These two phenomena, beyond the obvious constraints that they present, can support the emergence of new value chains and a better connection of local production with regional demands. Demographic dynamics generally constitute a historical opportunity for the development of agricultural markets, insofar as it creates the conditions for the promotion of economic activities, in particular within the downstream sector of the agricultural sector. In this context the current levels of the prices of basic commodities can be regarded as an additional incentive for the development of African commercial food agriculture, and an opportunity to maximally exploit the enormous agro-ecological potentialities the continent has.

However to make domestic and regional agricultural markets genuine instruments of growth acceleration, wealth creation and poverty eradication, it is necessary to find suitable solutions to three big challenges:

- instituting agricultural policies that allow people to exploit in the best possible way agro-ecological potentialities for the purpose of satisfying food needs, especially in a situation of an unceasingly increasing population
- equipping the five great economic regional organisations - ECOWAS, CEMAC, COMESA, SADC and EAC – in order to be able to institute trade policies that support domestic agricultural production
- instituting of deep reforms in the international trade processes, in particular within the World Trade Organization, with a particular accent on the question of access to market for the countries of the South.

The answers to these challenges would undoubtedly result in public policies that are more suitable to improve, I) the operation of local and regional markets, II) access to land and water and III) the development of collective actions in order to reduce the cost of production and transaction at the domestic level.

Introduction

The role of trade in the dynamics of growth and development dynamics is adequately documented in economic literature. The growth of agricultural goods exchange is considered as a factor of development for developing countries in general and sub-Saharan Africa in particular (Dupaigre, B.& al 2008). Numerous works have shown that a slight one-point increase in exports could generate about 0.5 to 1.8% of additional growth rate in the economy of some countries.

Through trade in raw materials, notably agricultural products, is the driving force of Africa's development, this region of the world has yet to take maximum advantage of this potential. In this part of the world with the highest demographic growth rate, the most dramatic poverty and unemployment situations, the role of trade in the development process remains insignificant to political leaders. Africa's trade in agricultural products, geared towards satisfying international needs, has increased the extroversion nature of its economy thereby jeopardizing the foundation for sustainable development.

This article emphasizes the weakened traditional international markets. These markets have, for a long time, been the outlet for the major highly valued African agricultural products but paradoxically, have appeared to be one of the sources for the "bad insertion" of African agriculture into globalization and of its increasing marginalization (poor productivity and sustained deterioration of commercial terms), resulting in the poor development of the continent. It also emphasizes the dynamics boosted by demographic growth (950 million people in 2005 and about 1.8 billion in 2050), migration of people, urbanization and emergence of new actors around new chains of value which opened up prospects for a booming local and regional market.

Because of poor performance, coupled with persistent multiple shortcomings such as monetary fragmentations, commercial fragmentations and poor integration, the viability of local and regional markets for African agricultural products and their potential for accelerated growth on the continent and the fight against poverty, undoubtedly depend on solutions related to three major issues :

- The setup of voluntarist agricultural policies to encourage better use of agro-ecologic potentials to meet the food needs of an ever-growing population.
- The promotion of regional markets with commercial policies at the borders of the five major economic groups in the regional integration process[1]
- A thoughtful reform of international commercial system, especially the World Trade Organization, with particular emphasis on issues relating to access to the market by countries of the south.

The response to these challenges implies, as rightly suggested by the World Bank, returning to more voluntarist public policies, to improve : i) the functioning of local and regional markets, ii) access to property and water and iii) the development of collective actions to reduce production and transaction costs with regard to family farms (WB, 2007).

[1] *Reference is made here to ECOWAS, CEMAC, COMESA, SADC, EAC*

1. Poorly connected and badly known local and regional markets

Even though local and regional markets in sub-Saharan Africa are very ancient (Meillassoux, C. 1971 & Polanyi, 1972), they are nevertheless still poorly known[2], both in their structure as well as the extent of their actual transactions. They seem badly structured due to numerous forms of highly socialized coordination (Agier, M. 1983, Grégoire, E. 1986). The rationalities sustaining these forms of coordination are sometimes far from rational norms of profitability potentially capable of making trade a development tool or better still a tool for creating wealth, growth and employment.

However, it is not so much this poor relationship between local commerce and homo economicus dynamics that is the problem, but rather the considerable segmentation of markets resulting in a large diversity of production as well as in trends in food habits. These trends are seen at times in contradictory consumption habits. Urban dwellers sometimes have a strong preference for the more elaborate and normalized foreign products, -such as rice in Benin- (Abiassi, 2005), to the detriment of local products, thus creating a severe disparity in local supply and existing potential demand. This situation is partly encouraged and amplified by the highly seasonal nature of products, consequently their supply on the local markets.

This segmentation is strengthened by the very large market fragmentation in connection with the disparities in commercial, economic and monetary policies (Igue, J. and Soulé, B. 1992 and Meagher, K, 1998 and Herrera, X. et al 2000). The extent of regional trade is sometimes inversely proportional to the degree of harmonization of commercial policies (Soulé, B. 1994) which remain highly fragmented even within the economic entities committed to the regional integration process (Blein, R. & al, 2005). As a result, a large amount of the trade arising from this guaranteed income, supply unregistered movements, which, by definition, is difficult to estimate. Certain works (World Bank et USAID) put the level of global import under- evaluation in West Africa[3] , between 200 and 300% (Faivre-Dupaigre, B. & al, 2008). Sixty to seventy percent of Benin's fuel importation is smuggled from Nigeria (Bard, M & Afouda, S., 2005),

Consequently, there is a global under-evaluation of the intra-community trade volume, estimated at less than 12% according to CNUCED for the CEDEAO region, 13% for l'UEMOA and 20 % for SADEC compared to more than 70% for the European Union. Central Africa, especially the CEMAC region shows the lowest rate, 1,8% (Laborde & Gallezot, 2006) and makes up the sub-regional economic grouping where local markets are less connected to the continent.

The connection between markets in the continent's greater economic regions is also poor despite the quite noticeable increase in the volume and value of trade between Nigeria and South Africa : exchange of crude oil products with manufactured goods. This poor intra community trade is a loss for the continent on the international market. As a matter of fact, trade on the African continent in the last twenty years, has known huge market losses at the international level, even if the global volume of the exportation of certain goods increased considerably. Africa has therefore seen « its share of world market in cocoa beans decrease from 80% to 67%, coffee from 26 to 15% and cotton from 30to 16%[4]. Similarly, in the oleaginous sector, Africa was once the uncontested world leader in production and exports in

[2] *It is easier to call to mind the volume of exportation of coffee, cocoa, cotton, African importation of rice, wheat, than that of the intra regional trade in maize, niebe, yam or cassava and its by-products.*
[3] *PASP project and the 2001 World Bank study on the links between Niger and Nigeria*
[4] *OCDE, 2001, the place of Africa in the world, working document, 34 pages.*

the 1960s and 1970s. Today, it is far behind Asian countries and has become a clear importer of vegetable oil. Even though the numerous barriers that developed countries, mainly multinationals and consumers from the North, have established to enter their market are to be taken into account, this sad situation is mainly due to multiple political and institutional shortcomings of the States.

Persistent multiple shortcomings

Local and regional markets in Africa are struggling to find a sure and growing outlet for their enormous production. It should be borne in mind that Africa, the first world supplier of plants and tuber products : cassava and yam, loses more than 30% of its production due to lack of adequate preservation and processing structures (Osswald. P. 1995). However, the relatively poor trade at local and regional market levels are due to many other factors :

- **Shortcomings in local and regional markets :**

Poor intra-regional commercial volume, especially in Central Africa, has been attributed, in many publications, to orientation and sectorial structure of national economies, mainly in the strong similarity of supply (Cadot & al, 2005). Both at local and regional levels, production shows very strong similarities, with the exception of certain seasonal products[5]. If West Africa can claim this exception- in this region, the existence of numerous agro-ecologic zones determines a wide variety of complementary production (cereals-tubers-vegetables-animal products), in the other African sub-regional economic groupings such as CEMAC, the problem is much more serious.

The poor processing, valorization and standardization of agricultural and food products are also a constraint to their movement at the regional level. Predominance of subsistence production – more than 60% of consumers are rural producers – explains for the most part, the poor processing and valorization of production. Despite the emergence of a blossoming small-scale food processing production (Bricas, N. and Broutin, C. 2006), large-scale processing of local production does not yet meet international standards. The regularity of the quality of processed products is rarely guaranteed. Thus, circulation of sub standard processed products is limited to supplying of pockets of nearly ethnic communities or food wise vulnerable populations (local, regional or international), often superficially. For example, the Beninese gari, the Cameroonian stick, a situation which hinders their transactions.

Information on market opportunities is inadequate for actors especially small family producers. Despite the explosion of New Information and Communication Technologies and the operation of numerous information systems (especially in West Africa), the issue of market information is raised at all levels, local and regional. Small-scale producers, major source of supply for market transactions are severely affected. Their inability to satisfy market requirements (regular supply, quality of products, poor knowledge of the level of demand) is in part linked to lack of information.

- **An unfavorable environment**

This is characterized by the prevalence of two phenomena which are a threat to the performance of local and regional trade: inadequate transportation services and infrastructure, corruption and administrative harassment:

[5] *Out of season production increasingly modify the monotony of agricultural supply in some countries: for example, sweet potato and potatoes in the Sahelian countries whose production is mainly cereal.*

Territorial network and regional connections in transportation infrastructure are the most obsolete in the world. – with the exception of South Africa and Nigeria – despite efforts made by the authorities and whatever the chosen transportation mode. Lack of maintenance has contributed to the rapid degradation of infrastructure, making the cost transportation particularly expensive. Moreover, illegal taxes, charged on goods put a strain on prices and the duration of transportation (Faivre-Dupaigre & al, 2008). In 2000, according to a study by ECOWAS, there were paying barriers every 14 kilometers on the Lagos-Abidjan route and 1 every 5 km on the Cotonou-Lagos stretch (120 km).

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In addition to these abnormal practices and real obstacles to trade, even within States, numerous administrative hindrances (excessive taxes, influence peddling, headaches) and corruption of public servants (especially the justice and financial systems) increase exorbitantly transaction costs. It is twice more expensive to transport goods from the Dakar port (Senegal) to Abidjan (Cote d'Ivoire) than from Anvers to Abidjan, (CCI, 2006).

2.Great development prospects

Despite the above-mentioned problems, the African market remains a fertile ground for growth and employment and potentially an important development tool for the continent. There are increasing signs, precursors of deep-rooted changes with the development of new value chains (MISTOWA[6], final report, 2007). These are driven by two major phenomena: increasing population and galloping urbanization, and the evolution of the international environment the trend in price hikes for basic products as one of its manifestations.

A dynamics stimulated by demographic and urbanization growth.

The sub-Saharan African population has more than doubled in the last twenty years and is likely to exceed 2 billion people by 2050. Despite the socio-economic problems associated with it, this growth has enormous development potentials for local and regional markets. Studies conducted in many African regions (WALTPS, OCDE, 1998) indicate that this increase in population will greatly affect peopling patterns. More than two thirds of the population will be living in towns. Consequently, their food habits as well as demand will be greatly modified. As a general rule, demographic dynamics are a historical opportunity for the development of agricultural outlets and markets since they create conditions for economic activities, especially from the agricultural sector. The burgeoning processing activities in urban and rural areas as well as related small services, generate considerable wealth and employment difficult to evaluate because of their informal nature.

Rapid urban growth in Africa coupled with the appearance of a class of consumers with average purchasing power, is the driving force behind a particular dynamics on local and regional markets. It has accelerated, and even more so, improved the connection between family enterprises and urban centers for not only traditional production (cereals, root products and tubers, livestock, leguminous plants) but also for new values: short-cycled animal products (birds and by-products mainly from breeding[7]) and market garden products (tomato and potato, lettuce and carrots). The expansion of this market is coupled essentially with an increasing appearance of artisanal agribusiness, banana and pineapple chips in forest regions,

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[6] *MISTOWA is an information system development project implemented by IFDC funded by USAID in West Africa,*

[7] *South African chicken eggs as well as apples and pears are on the market in many African regions.*

a variety of cakes made from soya, cassava and sesam, fruit juice and milk-derived products[8], just to mention the most significant. They show the beginnings of modernization which augurs well for considerable local market development possibilities and consequently for an incentive tool of production and domestication of food habits. In Nigeria, for example, FAST FOOD outfits serve local dishes made from niebe, yam flour, local spinach sauces and okro. These changes are success stories that are beginning to stimulate local and regional markets. If the quality of these products is still a problem, their mere existence is proof of the emergence of new value chains, sources of wealth and employment for local and regional economy.

This dynamics acknowledges the idea of a redirection in consumers' demand for local products and consequently for community preferences. The performance and vitality of African markets require supporting measures for these positive changes which, though still hesitant, are already impacting the structure of local and regional markets.

On another level, sub-Saharan Africa allocates about 25 billion dollars annually to fund its importation of food products (CEA, 2007). This sum that can be considered as potential markets to be conquered both at local and regional levels by local production, constitutes an enormous development opportunity to trade on the continent. According to the most optimistic prognosis, food demand will exceed the 100 billion dollar ceiling in 2015 (FAO, 2006), and even more if the current high trend in prices continues, that is double its level in 2000. This is both an important challenge and an opportunity for small family enterprises which are currently the main features of agricultural landscape on the continent. The major challenge is to increase productivity in order to increase the volume of supply and competitiveness, maintain prices at an incentive level for producers and make local products affordable to a large number of consumers to guarantee outlets at local and regional levels.

It is to be noted that public policies of the past three decades did not adequately support this dynamics. By concentrating to a large extent productive investments in the towns, coupled with a policy of unrestricted liberalization (disengagement of the State from some activities, especially local market regulation, removal of taxes on food importation), public policies have contributed towards increasing the extroversion of food habits. They have thereby contributed towards reducing local and regional markets to mere distribution relays of imported goods.

Development in the international environment

The skyrocketing increase in world cereal prices, especially maize, rice and wheat; the high demand for biological products for which the region has considerable possibilities in terms of products, are opportunities to be seized to promote the local market. As a matter of fact, the current price hike marks a near radical break with the decreasing trend in world prices, a trend which, for a long time, has been blamed on the effects of dumping and to the multiple support given by countries of the North either to their agriculture or the exportation of their agricultural products.

They probably offer the possibility to connect local production to regional demand. Even if it is not known whether the current price levels are those required to ensure better remuneration of local production, the price of which has, for a long period of time, undeniably fallen due to weak international prices, however, it can be a real opportunity for African agriculture to maximize its enormous agro-ecological potentials.

[8] *With regard to this last product, it is deplorable that it is made from imported milk..*

This opportunity seems greater given the fact that current hike in prices are partially caused by the galloping increase in demand, for food and bioethanol production reasons, resulting from an improved purchasing power of the emerging countries in Asia (China, India) and the craving of the great powers (USA). This is the case, for example, with maize and rice. China produced about 3.8Md liters of bioethenal in 2006 (3rd world producer), 90% of which was from maize. The American production of maize increased from 41 Mt in 2005-06 to 79 Mt in 2007-08, that is from a 14.4% production to 23.7% to attain 33.2% in 2015-16 and meet the objective of the resolution voted by Congress (Berthelot, J. 2008).

India, rice importer, seems to be faced with falling productivity as seen in the recent measures taken to limit its exportation.

Many analysts, led by WFO, predict that China, will, in the next 10 to 15 years, be a clear importer of foodstuffs, especially rice. Africa can really position itself on this market with appropriate strategies to better utilize its considerable potentials and improve the productivity of its agriculture.

This dynamics can bring about a radical change in the nature and structure of trade in Africa and Asia (its new and controversial commercial partner). Actually, trade between Asian and African giants does not yet show real effort on the African part to utilize this market's current and future opportunities. Presently, Africa supplies raw materials to India and above all to China against capital and manufactured goods. The importance of these countries' markets and their growing needs in food products are a great opportunity for African agricultural production. It offers a unique opportunity for restructuring local and regional food crops markets so that local and international demands for a product are not conflicting. Agriculture can thus promote a rational relationship between emerging regional and international markets without relinquishing its main function: that of guaranteeing food security to people. Africa could then develop the production of products requested by both the local and international markets. This has been lacking in a number of cash crops, whose production areas coincide with those of prevailing poverty incidents in African rural areas (EMICOV - Benin, 2007), example: cotton in the Alibori department of Benin.

Such dynamics will make possible the implementation not only of the agricultural policy orientations of NEPAD, PDDAA (somewhat in lethargy) but also and more importantly measures envisaged by African leaders during their food security summit in Abuja in 2006. This summit identified about ten strategic products whose promotion is likely to contribute to the "acceleration of agricultural development, resolution of food security issues and stimulation of regional integration" (CEA, 2007), as opposed to intensifying intra-regional trade.

The potential level of these so-called strategic products is presented as follows in the five major regional economic groupings of sub-Saharan Africa, according to data from COMTRADE reported by WFO.

Intensity indicators for intra regional trade in strategic African products

	COMESA	EAC	ECCAS	ECOWAS	SADC	Top trading partners with over 50% of African Market share in 2005
Rice	VH	H	VH	VH	H	Asia (73%) of which India 12% ; US 3% , UE 1,4%
Vegetables	H	H	A	H	H	EU 32%, Austria 16%, Asia 15% of which China 8% and India 5%
Maize	VH	VH	A	A	VH	USA 71%, EU 5%
Cotton	VH	VH	H	VH	VH	No partner outside Africa exceeded 4%
Oil palm	A	H	VH	VH	H	Asia 71%
Groundnut oil	BA	A	H	VH	BA	Asia 38% of which China and India at 6% each, EU 22% and USA 3%
Beef	VH	VH	A	AA	VH	EU 22% , USA 20%, Asia 19% of which India 18%, Australia 7%
Dairy	VH	H	A	A	VH	EU, 57%, New Zealand 11%, Australia 8%
Poultry	VH	VH	H	VH	VH	EU 62%, USA 5%, Australia 3%
Cassava	AA	H	H	VH	AA	No partner outside Africa exceeded 4%
Sorghum	A	BA	AA	VH	A	No partner outside Africa exceeded 2%

Note: VH: very high potential (75% and above)
H: High potential above (63-74%)
AA: above potential (50-63%)
A: average potential (25- 50%)
BA: below average potential (25% and less)
Source: excerpts from WFO according to the COMTRADE, 2005 data

Cereals, especially rice and maize are the leading products followed by palm oil, and poultry products. The study was confirmed by that of IFPRI and CORAF, 2007, regarding rice and IRAM, UEMOA, 2005 on the competitiveness of agricultural sectors in West Africa.

Promoting these products should depend on greater efficiency and the level of commercial trade among States, thus enabling countries and production areas to specialize and become more competitive on local, regional and international markets. Obviously, the success of this option can only be possible if it is accompanied by the promotion of preferential investment zones to encourage better utilization of ecological complementarity and resulting comparative advantages, to ensure more supply of products from the region on the markets (CEA, 2007).

3. Need for sound reforms

In order to make the market and trade a real enhancement vehicle for growth and job creation, there is the need to have structural reforms that will demystify prejudices that Africans have about agriculture activities : partly considered as a refuge for unsuccessful people. It is true that the great risks attached to the activity, the very long time periods to get returns on investment and the poor revenues of the actors, are reasons why millions of young Africans in sub-Saharan Africa who arrive on the job market each year, are not interested in this sector. However, from all angles, there are still great possibilities to develop decent income-generating activities for the young and job creation.

Local and regional market development, the base of an emerging private sector can also be a real tool for promoting and creating wealth and employment as a result of three types of incentives: instituting a voluntarist agricultural policy, reforming international trade regulations, and establishing policies and measures to facilitate regional trade.

Instituting voluntarist agricultural policies

Most of the agricultural development policies and strategies implemented in the past twenty five years have been based mainly on crisis management. Those of the 80s and 90s were largely influenced by structural adjustment programs and the State's disengagement. It was therefore not possible to apply some of the strategies and measures that could maximize the growth and job potentials that abound in the agricultural sector. They finally led to the cohabitation of two management systems with contradictory orientation strategies: an administrative supervision, indeed even guardianship of some branches (input supplies, applied prices and territorial sections for products, product collection, for example, cotton in West Africa) as well as an almost total liberalization of commercial food crop sectors**.** The strengthening of duality, subsistent agriculture sub-sector and that of cash crop agriculture has emphasized the major problems within the sector, especially its poor capacity to respond to the challenges of local and regional consumers' demand. It has not been able to promote, on a large scale, small enterprises which generate added values and employment.

Reversion to voluntarist policies is imperative to support current changes and promote improved productivity and competitiveness in the entire agricultural sector. Conditions for stimulating family agricultural enterprises to guarantee less degrading and alienating jobs for the youth need to be created. This approach should limit the urban angle for agricultural and food policies, and mainly focus onimplementing incentive measures and removing main bottlenecks.

- **Resolving the thorny issue of funding agricultural activities**

Funding agricultural activities is one of the Achille's heels of the agricultural sector in sub-Saharan Africa. Public investments in the sector are particularly poor; only 4% of public expenditure of African States is allotted to agriculture (FAO, 2008). The situation is even more alarming at the exploitation level. According to FAO, 2007, in Africa, a minimum of a $240 investment per cultivable hectare is needed with about 1.7$ coming from outside. Small agricultural farmers, for the most part, rely on the fast-growing micro-credit system in many countries. This system is a non negligible contribution to agricultural activity development: funding of the sector's final phase especially artisanal processing activities and placing the products on the market. It thus enabled the promotion, not only of new value chains but also small activities to ensure equitable access to employment, in accordance with gender in the rural area. However, it is still inadequate to make the agricultural sector a real development tool. It lacks a link between micro-credits which allows for the management of instability and the very rigid banking system in the products proposed to users of the sector. The integration of the agricultural farmers into the market needs a funding system flexible enough to manage their vulnerability to the numerous shocks: fluctuation of agricultural products, natural catastrophes (drought and inundation).

Obviously, if Africa is capable each year to disburse about 25 billion dollars to acquire food products, it should be able to mobilize at least 10 to 15 billion dollars to ensure sound sustainable production; guarantor of its food security and the good functioning of its internal market. This indicates a lack of political will that the current price increases on the international market should help to correct. Unfortunately, it is to be feared that the measures taken by States to curb the effects of the high prices (suspension of the taxation on importation of food products) could complicate the situation.

- **Guarantee of access to agricultural development resources: land and water**

Access to agricultural development resources: land and water, irrespective of their institutional and legal dimension, raises the thorny question of the continent's demographic transition management. Debate on land centers around the viability and efficiency of agricultural family enterprises: profitability of investments, capacity to monitor demand and their survival in view of the way resources in cultivable land are managed, especially their continuous division due to the sharing of inheritance. The need for land reallocation, which is looming on the horizon, as a result of concerns about bio-fuel production and renewed interest in mechanization to increase productivity, raises a critical question : to what sector will the transfer of agricultural manpower go (Blein & al, 2008). The success of the current land reforms in many countries to attract productive investments in agriculture depends on a judicious management of the continent's demographic transition. As highlighted by Bloom D. and Willam, 1998, according to the demographic gap principle « any demographic transition, accompanied by an increase in activity level, generates surplus economic growth. The Asian economic miracle as well as the impressive growth of countries in southern Asia is linked to such a strategy". Africa will evidently not escape this situation. The current extensive dominating cultivation system, compounded with demographic explosion and land availability, is not tenable in the long run (Blein, R. & al, 2008).

A lot of effort still needs to be made to tap into the enormous potentials in surface and underground water resources in Africa. There is the need mainly to develop hydraulic infrastructure, water retention systems and mastery of small irrigation within the reach of family enterprises. Interesting results obtained in some areas (Niger office in Mali for rice, Kano and Gigawa in Nigeria for tomato, potato and onion) work towards establishing such incentives.

- **Development of collective actions**

Developing collective actions by producers is imperative to reduce transaction costs and link them to the market. There is need to promote all the services and actions within the agricultural market sectors, especially at the level of the agricultural council, input supply and distribution, stock equipment. Organizing agricultural branches through the structuring of the actors: institution of OP, inter-professional dynamics and good management, is an important element of the integration of small producers into the local and regional market. These strategies in organization of the branches should be translated into the promotion of value chains: development of Economic Interest Groupings and production, processing and service cooperatives in production areas, while resorting to easily accessible technologies.

Reform of the international trade system

As highlighted by Jadot (1999), practically all the current world trade systems include « agricultural policies in a context of disciplines highly influenced by liberal thinking. Thus, agricultural policy tools are understood through their more or less negative effects on international trade rather than according to objectives which they aim to achieve (food security, rural employment, land development)".

This system is quite disadvantageous to small African farmers, who, due to lack of support, face, on unequal terms, their competitors from developed countries on their own market[9]. The

[9] *As a matter of fact, the agricultural sector is still not capable of competing with products from Europe where producers benefit from significant support : about 16 000 $US per producer per year as opposed to average revenue per capita of 163 $US for each African agricultural producer (Enterplan, 2005)*

on-going negotiations at NTO and the Economic Partnership Agreement between the EU and ACP countries can provide a great opportunity to redefine the international market's contour, relax the restrictions around African markets and guarantee a better space to manœuvre. These negotiations should however lead to a real liberalization of world trade : withdrawal of all forms of support, tariff and non tariff barriers, dumpings, to make up a real opportunity for African farmers. The discussion is also important in as much as the liberalization plan, especially that proposed by the European Union to the different African regions through its offer to access the market within the APE framework is raising issues: issues related to increasingly complex norms, which are not adequately considered.

Institution of regional trade facilitation policies and measures

Apart from traditional measures suggested to facilitate trade in Africa, the continent's most urgent need is to define commercial policies, at least at two levels : continental and regional. Neither the continent nor the practically all the Regional Economic Communities have trade policies that serve as orientation and intervention framework for the different actors: private sector and decision makers. Existing trade policies, such as those of the West African Economic and Monetary Union are considered unsuitable for the needs of the continent's production (ROPPA, 2007), due to poor protection of local and regional markets (Gallezot, ROPPA, 2006).

The poor negotiation capacity within international commercial structures, difficulties in structuring local markets and their poor connection with producers are a result of this absence of trade policy that promotes regional and continental preferences.

Conclusion :

Promotion of local and regional markets remains urgent not only to accelerate the economic growth of Africa but also to create a training context for small producers to integrate into the international market. This promotion implies :

- A better knowledge of the dynamics of the emerging value chains with considerable potential for regional trade. These new value chains are a source of wealth and employment in both rural and urban areas.
- Support to the actors' structuring, especially those in the artisanal sector and small agrifood enterprises who are getting into the local branches and value chains.,
- Structuring of dialogue between family farmers and the private sector, to promote the establishment of contracts that result in efficient management of some critical function in the agricultural sector : supply of input, access to credit, agricultural council, and sure and regular outlets for production on the local and regional markets,
- Promotion of regional stock exchange for agricultural products, to better manage regional market supply in products from the region.
- The institution of a program of standardization, metrology, accreditation, and quality control.

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