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Rice Shortages in West Africa: Potential for Political Instability



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An Intelligence Assessment

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Rice Shortages in West Africa: Potential for Political Instability

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An Intelligence Assessment

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This assessment was prepared by [redacted] of
the Research Branch, Office of African and Latin
American Analysis. Comments and queries are
welcome and may be addressed to the Chief, West-
East Africa Division, ALA, [redacted]

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This paper has been coordinated with the
Directorate of Operations and with the National
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**Rice Shortages in West Africa:
Potential for Political
Instability**

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Key Judgments

We believe the inability of West African governments to ensure a steady supply of inexpensive rice in urban areas will be an increasingly important cause of political instability in the region throughout the remainder of the decade. Rice has replaced more traditional foods as the major dietary staple of the growing and politically important urban populations in 13 of 18 West African and Sahelian states. Domestic production in many countries has not kept even remotely close to skyrocketing demand, however, forcing governments to spend scarce foreign exchange on increased rice imports.

Urban populations throughout the region have proved ready to take to the streets to protest rice shortages and sharp increases in the retail price of rice. Protests in Liberia against proposed price increases in 1979 turned violent when the army was called in to maintain order, and the lack of rice in urban markets was an important factor in the fall of the government in Guinea-Bissau in 1980. The government in Sierra Leone faced a serious challenge in 1981 when labor unions called a general strike because of high rice prices and deteriorating economic conditions. In Nigeria, the high price of imported rice and the obvious corruption in the issuing of lucrative rice import licenses may become potent issues in next year's election if the government is unable to control prices.

Even though it is technically feasible to substantially increase domestic rice production, we believe that rapidly growing demand spurred by unchecked population growth and uncontrolled urbanization will prevent most, if not all, West African nations from achieving rice self-sufficiency by the end of the decade. The current gap between domestic production and consumption—nearly half of requirements in some years—is too large to be easily eliminated. Even more prosperous nations such as Nigeria and Ivory Coast lack the massive technical, financial, and managerial resources necessary for increased use of fertilizers, irrigation, and other technical means to improve yields and increase domestic production. Small farmers—the backbone of West African agriculture—are likely to continue growing only enough rice for their own needs as long as governments offer higher producer prices for more lucrative export crops such as coffee and cocoa. Most West African governments will continue to be pressed by volatile and

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politically important urban populations to subsidize consumer rice prices, a policy that strains budgets and sustains the diversion of resources from the farming sector.

The problems of meeting domestic demand through imports are complex. The United States—one of the world's largest rice exporters—will be called upon to increase the level of emergency relief and concessional sales to West Africa's impoverished nations. Whatever the feasible extent of US assistance, however, it alone will not solve the growing food problem in West Africa.

The Soviets and Libyans are unlikely to be able or willing to meet West Africa's massive rice or other food needs. They are in a position, however, to benefit from long-term instability in the region, which will provide opportunities for them to take actions in West Africa aimed at discrediting the United States, undermining Western influence, and weakening moderate governments.

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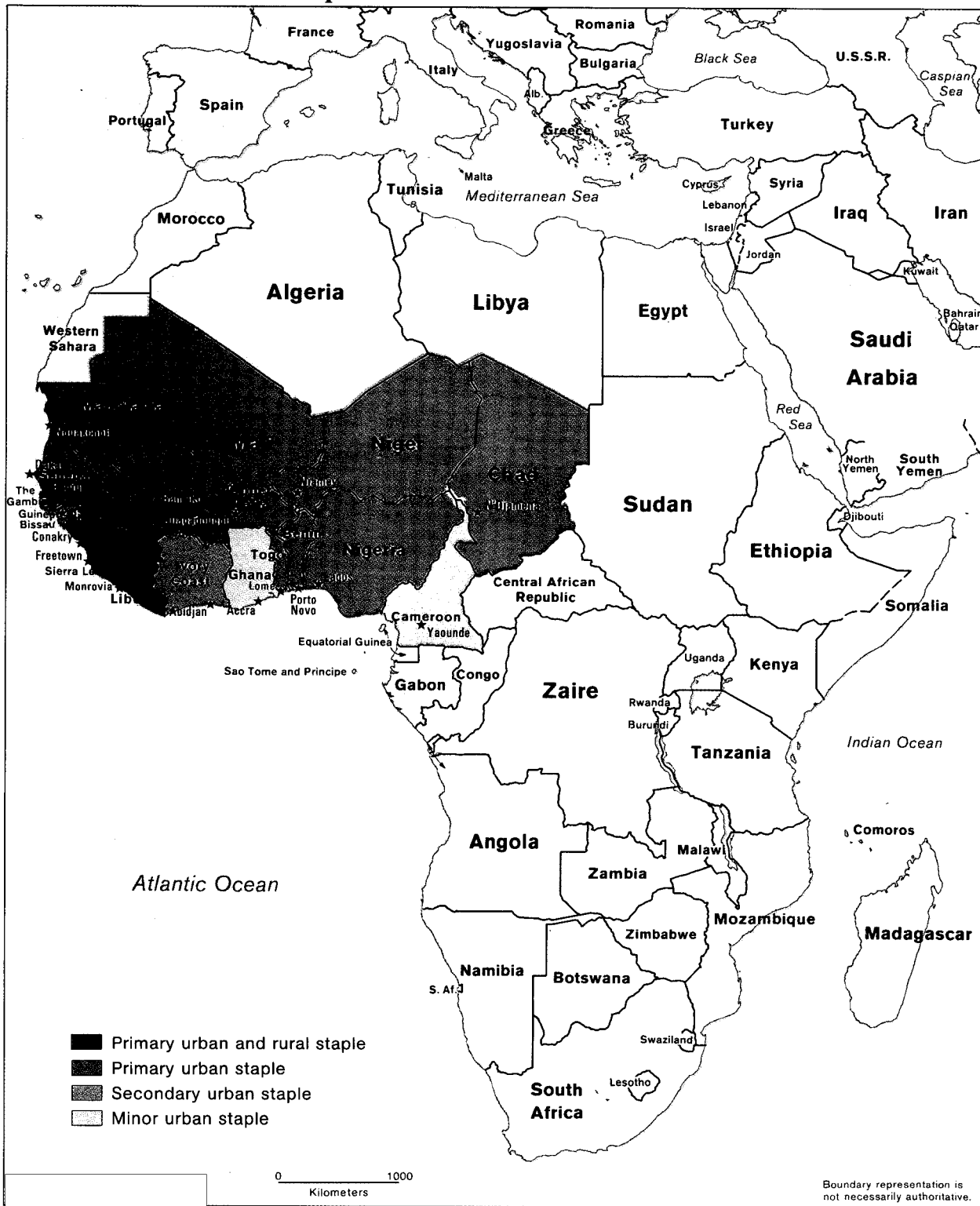
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Figure 1
West African Rice Consumption



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Preface

International agricultural organizations point out that Africa has the world's lowest food production growth rate and that food production is likely to continue to lag far behind Africa's skyrocketing population growth. These points, with which we agree, imply that Africa faces the prospect of severe food shortages throughout the remainder of the century. In West Africa, where political instability is already a problem, we believe that the increasing inability of governments to ensure a steady supply of cheap rice—one of the fastest growing urban dietary staples in the region—could act as a spark for widespread urban protests and violence.¹

Although we recognize that rice shortages are only one factor affecting political stability, we believe that projected shortages are sufficiently important to the region and to US interests to warrant closer analysis. We plan to explore other specific economic, social, and agricultural issues affecting the political stability of the region in subsequent papers.

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¹ In this paper West Africa includes Benin, Cameroon, Cape Verde, Chad, The Gambia, Ghana, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, and Upper Volta. 

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**Rice Shortages in West Africa:
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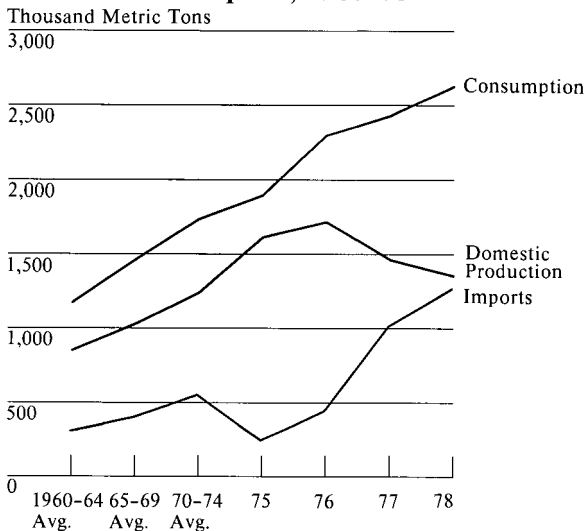
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Introduction

Rice has become the major urban dietary staple in almost three-fourths of the countries of West Africa, according to US Department of Agriculture statistics. According to these same sources, the ability of the region to meet its rice needs—already low—is declining as urban demand continues to outstrip domestic production. In our judgment, governments increasingly will face periodic shortages of rice that may weaken already unstable regimes. Rice consumption has skyrocketed in the last 20 years, partly because governments—in an attempt to maintain peace in politically important urban areas—subsidize the price paid by consumers. Urban West Africans, in our opinion, have come to view cheap rice as a right rather than a privilege and have taken to the streets to protest both shortages and price increases. Rice shortages and price hikes were important factors in the coups in Liberia and Guinea-Bissau in 1980, and in the general strike in Sierra Leone in 1981.

West African leaders have stated publicly that they have little political alternative but to import ever greater quantities of rice to meet the growing urban demand. Observers of the region believe that the growth of domestic production of rice has not kept pace with that of demand for some time because governments traditionally have paid farmers higher prices for such export crops as coffee and cocoa than for food crops. In the face of high oil and debt payments, however, these nations—many among the poorest in the world—find it increasingly difficult to buy rice through commercial channels. We believe the reluctance of West African nations to agree to demands by the International Monetary Fund and other potential donors that rice subsidies be curtailed or eliminated will make it more difficult to line up outside financial assistance. Throughout the rest of the decade, we expect that West African countries will be forced to turn to the world's major rice producers—particularly the United States—to provide emergency food aid and rice at concessional terms.

Figure 2
West African Domestic Rice Production Available for Consumption, Rice Imports, and Rice Consumption, 1960-78



Source: West African Rice Development Association

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Consumption Skyrocketing

Rice is rapidly replacing more traditional West African foods—such as cassava, yams, millet, and sorghum—as the main dietary staple of urban West Africans. Rice consumption in West Africa has more than doubled since the 1960s, according to the West African Rice Development Association (WARDA).² By the late 1970s regional consumption was over 2 million metric tons annually, while in Nigeria,

² Systematic and reliable data on West African rice production and consumption are lacking. West African governments often either do not collect data, lack the resources needed to systematically collect accurate data, or falsify their reports for political purposes. As a consequence, the data are presented to indicate trends—about which there is general agreement—rather than precise conditions.

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Table 1

Major Rice Growing and Consuming Areas in West Africa, 1978

Countries with over 100,000 hectares under rice production—100,000 hectares		Major rice-consuming countries of West Africa—kilograms per year per capita	
Guinea	472	Sierra Leone	122.9
Ivory Coast	428	Liberia	111.5
Sierra Leone	416	Gambia, The	69.0
Nigeria	253	Guinea-Bissau	60.1
Liberia	202	Mauritania	55.5
Mali	184	Guinea	45.8
Guinea-Bissau	109	Senegal	44.8
		Ivory Coast	41.8

Countries importing over 1,000 metric tons of rice—1,000 metric tons		Countries in which rice consumption was over 100,000 metric tons—1,000 metric tons	
Nigeria	456.5	Nigeria	680.8
Sierra Leone	363.9	Senegal	237.5
Ivory Coast	317.8	Ivory Coast	141.5
Guinea	279.6	Ghana	129.0
Senegal	241.9		
Liberia	193.2		
Ghana	166.4		
Mali	121.4		

Source: West African Rice Development Association.



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which registered the largest volume increase, consumption climbed to 1.5 million tons in 1980. Per capita consumption also has increased. Regional per capita consumption is over 19 kilograms per year; Sierra Leoneans eat 123 kg per year, a rate equal to consumption in many Asian countries.

wages. Urban areas throughout the region are expanding at an average of 5.5 percent yearly, while the capital cities are growing even faster. According to UN data, Lagos grew from 1.4 million in 1970 to 2.6 million in 1980 and may reach 4.5 million by 1990. During the same period Abidjan's population doubled to 3 million and may climb to over 5 million by 1990.

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Agricultural experts agree that this dramatic increase in rice consumption is largely the result of explosive population growth and uncontrolled urbanization. UN statistics indicate that populations have been growing at a regional average of between 2.5 and 3 percent a year since 1950. At the same time, more and more rural West Africans are lured to the cities by the prospects of employment, education, and higher

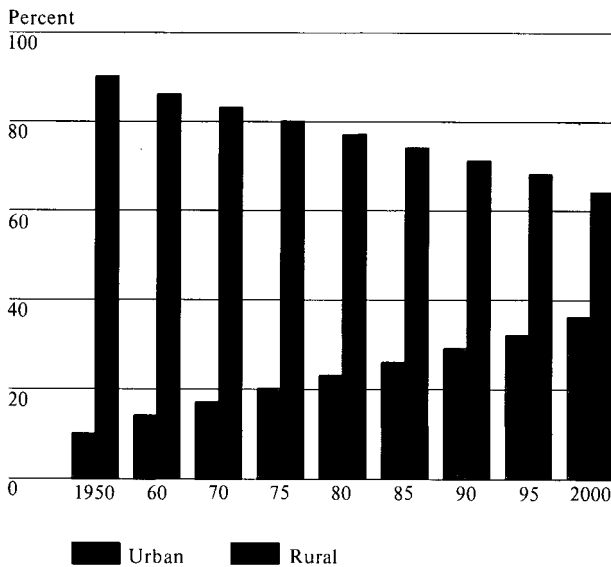
Studies of urban life in West Africa indicate that families, particularly those in which most members work, prefer rice because it is easy and quick to prepare and has a longer shelf life than other foods.

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Figure 3
The Changing Rural/Urban Balance in West Africa, 1950-2000



Source: United Nations

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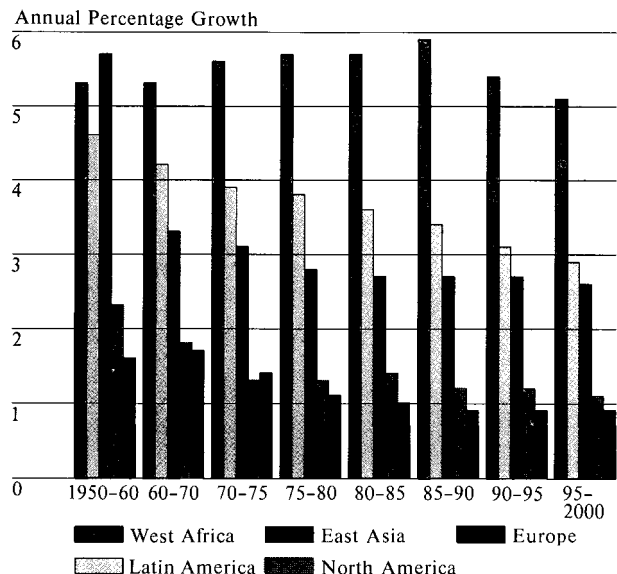
Many new city dwellers also view rice as a status symbol separating them from their rural homelands, where they consumed more traditional West African foods. According to US Government and open sources, urban West Africans have developed strong taste preferences for higher quality imported rice rather than domestic rice; urban Nigerians, for example, are willing to pay a high premium for unbroken, long grain rice imported from the United States and Thailand.

Domestic Production Lagging

Significant increases in domestic rice production have lagged far behind the soaring urban demand for rice. WARDA estimates that although the amount of domestic milled rice available for consumption grew to over 1.5 million tons annually in the late 1970s—compared to about 1 million tons annually in the 1960s—this increase was not nearly enough to keep pace with the rate of increase in demand. Consumption during the same period increased from about 1.5

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Figure 4
West African Urban Annual Growth Rates Compared With Other Regions of the World, 1950-2000



Source: United Nations

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million tons annually to over 2.3 million tons annually. As a result, WARDA reports that average regional self-sufficiency has now fallen below 70 percent in most years and even lower during years when domestic production plummets because of bad weather as it did in Nigeria in 1977 and 1978.

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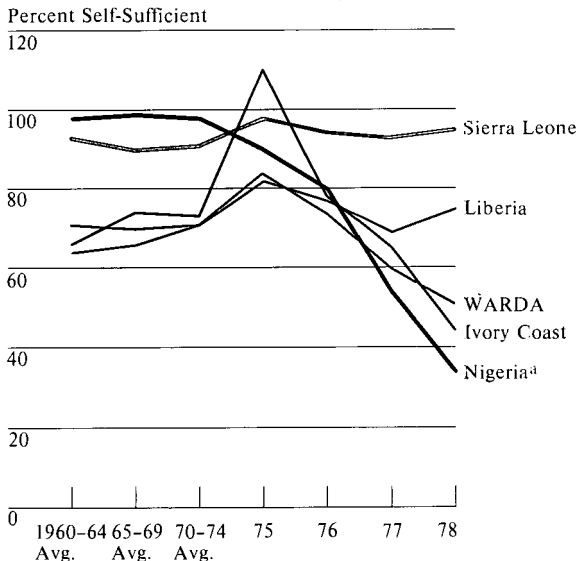
The imbalance between supply and demand is further aggravated because most domestically produced rice is not marketed in urban areas but goes to meet the rural demand for rice. The region's 700,000 rice farmers, many of whom farm no more than 1 hectare, historically have produced only enough rice for the needs of their family. US Embassies throughout the region report that much of the increased domestic production is consumed by growing rural populations, traded locally, or stored as a hedge against hard times. In Senegal, for example, Embassy reports indicate that, even during good years, over 90 percent of the harvest goes to meet rural demand.

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Figure 5
Rice Self-Sufficiency for West African Rice
Development Association Members and
Selected WARDA Nations, 1960-78



^aWARDA estimates for Nigeria have been adjusted to correct for reporting errors.
 Source: West African Rice Development Association

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Government Policies Backfire

Government attempts to encourage farmers to grow more rice have been hindered by conflicting policies and mismanagement. Despite government statements proclaiming the need for food self-sufficiency and the ample evidence that farmers would grow more rice and other food staples if offered higher prices, governments, according to academic studies and Embassy reports, find it more expedient to raise much needed foreign exchange by offering farmers higher prices for cash crops—such as coffee, cocoa, and groundnuts—than for food crops. In addition, governments traditionally have over-taxed rural residents to finance industrialization. West Africa's small farmers—widely dispersed and poorly organized—lack the political influence of urban residents, allowing West African leaders to invest development revenues in more highly visible and politically appealing urban projects.

Farmers willing to produce surplus rice for sale have more profitable alternatives than selling to official government agencies. Many avoid accepting low government prices by negotiating with private traders,

who often offer better deals and pass the higher cost directly to the consumer. This has become the dominant marketing mechanism for domestic rice in West African urban centers. The journal *West Africa* reports that in Mali, where official producer prices have been traditionally low, 60 to 80 percent of the food provided by the domestic market is supplied through private traders. Others smuggle rice into neighboring countries where their rice may command a higher price. The US Embassy in Monrovia reports that a significant proportion of Liberian rice, for example, is smuggled into Ivory Coast, Sierra Leone, and Guinea.

In general, government crash programs and pilot projects to modernize rice production have produced disappointing results. Some West African leaders such as Sekou Toure in Guinea have attempted to raise domestic production by creating large state-run farms and collectives and by subsidizing the use of more modern farming methods. Other more moderate leaders—such as former President Tolbert in Liberia, President Shagari in Nigeria, and President Stevens in Sierra Leone—have sought both to develop large-scale farms and to increase the productivity of small farms by providing loans, input subsidies, and improved extension services. Whatever the development approach followed, however, poor transportation networks, high fuel costs, and a lack of adequate processing and storage facilities throughout the region hinder rapid and dramatic improvement.

Furthermore, a detailed academic study of rice production in West Africa suggests that widespread and substantial government investment in modernization and mechanization of rice production is at best a dubious economic proposition—partly because of erratic rainfall and the lack of irrigation. The same study argues that with the exception of Sierra Leone, where a low wage rate structure encourages labor-intensive production techniques, and in Mali, where the French invested heavily in the infrastructure needed for large-scale farming, West African nations would be better off investing scarce development funds to improve production of other food crops.

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Corruption

The soaring demand for rice has encouraged various forms of corruption and hoarding that have the net effect of keeping prices high and supplies down in urban areas. These trends have become potentially sensitive political issues. The Nigerian press, for example, has reported extensively since 1980 on irregularities in the award of rice import licenses in Nigeria. Indeed, Nigerian President Shagari's prospective opponents in elections scheduled for 1983 were handed an opportunity to criticize the regime in 1981 when the National Assembly published a list of his supporters and cronies who received rice import licenses. The rice riots in Monrovia, Liberia, in 1979 were motivated in part by the public view that President Tolbert and his family—who owned extensive agricultural holdings—would be among the primary beneficiaries of proposed increases in consumer and producer prices. [redacted]

The effectiveness of government marketing boards has been limited by the corruption that pervades these institutions. [redacted]

[redacted] many marketing boards serve as convenient sources of financial patronage for government leaders. In addition, staff personnel, trying to cope with excessive inflation and frequently supporting an extended family, often use their positions for personal gain. US Embassy reporting has documented that before Senegal's national grain marketing board was disbanded in 1980—following charges of mismanagement and unresponsiveness to farmers' concerns—corruption extended from the weighers in the villages to truckers to senior officials such as former President Senghor's nephew. [redacted]

[redacted] private traders, and even officially licensed brokers, commonly hoard rice to drive up the price on the open market. Throughout the region, traders are able to take advantage of the inability of governments to assure a steady supply of rice at lower, officially posted prices. Governments, partly because they buy so little of the domestic crop and partly because they are unable to purchase and store enough imported rice, are limited in their ability to enforce official prices. Nor do government edicts announcing lowered official rice prices have much impact. Head of State Rawlings in Ghana and President Stevens in Sierra

Leone, according to embassy reporting, recently have discovered that pronouncements outlawing hoarding do little to bring down prices or increase supplies in urban markets. As a consequence, consumers must either endure long lines for what little rice—usually imported—is available at the lower official price or pay two to three times more on the black market. [redacted]

Prospects Bleak

Although national leaders will continue to espouse self-sufficiency, in our judgment most West African countries—faced with continued population growth and rapid urbanization—will be forced to increase their dependence on imported rice in the near future. While world rice exports, based on UN Food and Agricultural Organization projections, should just about balance import demands in the next five years, West Africa's impoverished nations will find it increasingly difficult to compete in the open market. The region's poorest nations already have been forced out of the commercial markets and are now almost totally dependent on concessional rice sales and Western relief assistance. Even Nigeria and Ivory Coast—prosperous by West African standards—have purchased rice on concessional terms and in the future will have to make difficult choices on how to spend increasingly scarce financial resources. [redacted]

The region theoretically has the potential to raise production significantly by better use of such modern agricultural technologies as fertilizers and irrigation; but, in our judgment, the prospects for rapid improvement are poor because of the lack of financial resources, technology, expertise, and infrastructure. Many of the high yielding seed varieties used in the Asian rice revolution, for example, are not suited to West Africa, which lacks extensive irrigation. In addition, environmental factors such as weeds, pests, diseases, and recurring droughts hold down West African yields to about two-thirds the world average. Finally, institutional constraints such as the lack of extension services and credit discourage small farmers from applying new technology. In our judgment, West African nations will require sustained and substantial

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technical assistance from donor countries to overcome these handicaps. Even with this assistance, however, progress for most of the region will be slow. [redacted]

25X1 The West African Rice Development Association estimates that regional self-sufficiency will continue to fall in the 1980s. The gap between consumption and demand—according to one USDA projection—may be as high as 7.5 million tons by 1990, with the region able to supply less than one-fourth of its needs from local sources. Even these estimates may be overly optimistic, if the region experiences a return of the prolonged drought conditions of the late 1960s and early 1970s. [redacted]

Limited Options

In our judgment, West African leaders have almost no hope of meeting the widening deficit between consumption and production without encountering serious political risks. Efforts to improve production through more market oriented policies will almost certainly prompt resistance from important urban constituencies who are already hard pressed to maintain current living standards. As a result, we believe governments are unlikely to divert significant resources from more politically volatile and powerful urban constituencies to poorly organized and politically weak rural interests. Indeed, we expect that leaders—probably citing the Liberian example—will continue to resist demands from the International Monetary Fund and other Western donors to bring local rice supply and demand more in balance by lowering subsidies and increasing producer prices. To maintain the status quo, however, will almost certainly result in the continuation of periodic shortages, widespread black-market activities, and corruption. [redacted]

Nevertheless, there are indications that the failure of past policies and government mismanagement of state-run marketing boards are forcing some West African leaders to go against their better political judgment and allow market forces a freer hand in determining the marketing and pricing of rice. The US Embassy in Niamey reports that Nigerien President Kountche is allowing private merchants to purchase rice and other grains in neighboring Nigeria and sell them for more than the government boards

are offering local farmers. In addition, he is personally urging farmers to sell at least some of their crop at official prices. Malian President Traore, again according to US Embassy reporting, appears to have decided to maintain the official consumer price of rice but not to enforce it. A critical factor in all these decisions is the leader's willingness to risk the political consequences of higher prices in exchange for a steady supply of rice. [redacted]

Heightened Instability

In our judgment, the inability of West African governments to meet the growing urban demand for rice will contribute significantly to the erosion of political stability in the region. In the face of continually declining living standards, we believe that urban populations will be less willing to tolerate food shortages. Recent historical experience and trends appear to leave no doubt that problems associated with rapid population growth, uncontrolled urbanization, and the widening gap between rich and poor will continue and make the urban unemployed a more active and explosive force in West African politics throughout the remainder of the century. Based on past experience in almost every country in the region, we believe that civil servants, workers, students, and professionals are likely to push harder to protect existing benefits as well as make new demands on strained budgets as economic conditions worsen. [redacted]

25X1 We further believe periodic rice shortages or sharp price increases may rally opposition forces and provoke widespread protests against West African governments. Weak governments with few resources and little popular support will have a difficult time weathering widespread urban rioting. Threatened leaders—feeling they have little alternative but to follow a carrot-and-stick approach—probably will declare martial law and call on the army to maintain order while promising to reestablish a steady supply of cheap rice. Experience suggests, however, that repression probably will generate more resentment and unrest, especially if promises go unfulfilled. Civilian opposition groups or the military—pointing to a government's inability to feed the urban population as

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another example of government corruption, mismanagement, and inefficiency—may be convinced that the time is right for seizing power. We believe that even those governments that ride out an immediate crisis will find it difficult to fulfill the politically necessary promises to lower rice prices and increase supplies made during the crisis. Moreover, with their authority and power increasingly questioned, the regimes' ability to respond to future challenges will be diminished. [redacted]

Implications for the United States

In our view, as West African leaders become more aware of the difficult political choices associated with the rice problem, they will increasingly look to the United States for help in meeting their growing demand for rice, as well as for technical agricultural assistance to spur stagnating domestic production. Economically strapped countries—such as Niger, Senegal, Liberia, and Sierra Leone—will remain unable to make large purchases of high-quality, expensive US rice for the foreseeable future, but probably will increase their requests for emergency relief and sales on concessional terms. Leaders of these countries are certain to cite humanitarian concerns, the need to limit Soviet and Libyan meddling in moderate West African governments, and the likelihood of widespread urban protest if significant assistance is not given. We believe that the reliability of the United States as a friend is likely to be measured by the willingness of Washington to step in quickly and come to the aid of these moderate governments. Nigeria—the largest volume importer in the region—and Ivory Coast offer much more attractive markets for US commercial sales of rice, but lowered foreign exchange reserves may limit these countries' ability to continue to buy large quantities of imported rice. [redacted]

Based on their past actions, the Soviet Union and Libya will be quick to capitalize on any popular unrest. The Ghanaian media reported a Libyan donation of rice and other foodstuffs to Ghana in January 1982 to ease food shortages following the coup. Our analysis of their past behavior and their own current food problems and foreign exchange priorities suggest, however, that the Soviet Union and Libya will

probably remain unwilling and unable to meet West Africa's growing and long-term rice or other food needs. Nonetheless, even largely symbolic acts such as Qadhafi's donation might enable the Soviets or Libyans to ingratiate themselves with impressionable and insecure governments badly in need of foreign support. [redacted]

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At the same time, we estimate that the Soviets and Libyans, for propaganda purposes, will also draw attention to any US failure to provide aid. Under such circumstances, we believe, pro-Western African leaders would be vulnerable to criticism from the opposition—perhaps encouraged by Moscow or Tripoli—that the country's woes are largely a product of its close ties to Washington and the West. [redacted]

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Sketches of Key Countries

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Periodic rice shortages and government attempts to raise consumer rice prices could contribute to political instability throughout West Africa, but we believe the threat is particularly great in three countries—Liberia, Sierra Leone, and Nigeria. Rice is the primary rural and urban dietary staple in Liberia and Sierra Leone, and past shortages or government-announced price hikes have provoked widespread political unrest. In our judgment, the continuing inability of these moderate governments to increase domestic production significantly or to control urban demand presents a serious and long-term threat to their political stability. Nigeria, the largest country in the region and the second-largest importer of US rice in the world, faces the prospect of being forced to import as much as 1 million tons by 1985 to meet the demands of its growing and politically important urban population. Moreover, the need to pay for higher imports could force the government to divert funds from ambitious development plans. [redacted]

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Liberia

Rice is the primary staple for both rural and urban Liberians, and the country now has the second-highest per capita consumption rate in West Africa. Demand for rice grew 8.5 percent in 1981 and shows little sign of slackening in the foreseeable future. Although 90 percent of Liberia's agricultural households produce rice, the country is unable to meet the growing urban demand. Most rice produced in Liberia is consumed in rural areas, and the US Embassy reports that less than 1 percent of domestically grown rice finds its way into the official channels of the Liberian Produce Marketing Corporation. Government-sponsored programs designed to increase production—which has leveled off in recent years at about 125,000 milled tons annually—have been hindered by the low producer prices, widespread smuggling of domestic rice to neighboring countries, and government mismanagement. [redacted]

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Faced with stagnating domestic production, successive Liberian governments have increased imports to meet demand. The US Embassy has reported that in

1981 alone about half of Liberia's rice needs had to be imported, most for urban consumption. The severe lack of foreign exchange and the mounting volume of imports—104,000 metric tons in 1981—however, restrict the government's ability to buy rice in commercial markets; about one-third of the rice imported from the United States in 1981 was under a PL-480 agreement reached in January 1981. [redacted]

The Politics of Rice. The political insensitivity of the Tolbert government to the rice issue was a critical factor in its downfall in April 1980. The mere announcement that the government was considering raising producer prices from 12 to 18 cents per pound and consumer prices from 20 to 30 cents per pound in April 1979 provoked demonstrations throughout Monrovia. Tolbert weathered the crisis only by canceling the price increases and calling on the military to restore order. Opposition groups seized the rice issue to point to Tolbert's personal corruption—the family was one of Liberia's leading agricultural producers—and to illustrate the government's mismanagement of rice production and marketing. [redacted]

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The US Embassy has reported that the Doe government—which seized control a year after the Monrovia riots—spent \$4 million in its first year in power to subsidize the retail price of rice. The cost of subsidies could have reached \$9 million in 1981 according to Doe, but the government ended rice subsidies in mid-1981 as a condition for receiving a \$75 million loan from the IMF. As a consequence, the price of a 100-pound bag of rice rose from \$20 to \$24 in Monrovia and even higher in outlying areas. The Embassy reported considerable public grumbling. [redacted]

Prospects. The Monrovia riots and Doe's coup clearly established that Liberians are willing to challenge the authorities over the supply and price of rice. We believe even a temporary shortage of cheap rice could provide a serious challenge to the military government if it is unable to make any headway in reversing the

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Table 2

Liberian Rice Production, Consumption, and Import Patterns

	Average			1975	1976	1977	1978
	1960-64	1965-69	1970-74				
Production							
Area under rice (1,000 ha)	125.9	134.9	173.8	191.0	200.5	206.3	202.1
Paddy production (1,000 mt)	117	148	215	229	245	256	251
Yield of paddy (kg/ha)	930	1,093	1,216	1,199	1,222	1,241	1,241
Milled equivalent of paddy (1,000 mt)	78.5	98.9	143.9	153.4	164.2	171.5	168.0
Consumption and imports							
Estimated rice consumption per capita (kg)	86.4	89.9	109.5	109.4	102.5	118.1	111.5
Rice available for consumption (mt)	57.2	72.1	111.0	141.2	128.7	138.1	144.9
Estimated total consumption (1,000 mt)	89.3	109.5	156.1	171.8	166.2	198.0	193.2
Total net imports (1,000 mt)	32.1	37.4	45.2	30.6	37.5	59.9	48.3

Source: West African Rice Development Association.

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country's economic slide. Continued public dissatisfaction with the supply or price of rice gives civilian opposition groups—already frustrated with declining economic conditions and the slow pace of the return to civilian rule—a potential rallying point for mobilizing demonstrations against Doe's government, given a sufficient catalyst. Within the government, we believe disgruntled military men could use the widespread unrest to justify replacing the moderate Doe. [redacted]

Liberia, in our judgment, will be forced to rely increasingly on US PL-480 rice aid. The Embassy estimates that rice import requirements may climb to over 120,000 metric tons in 1982, and, given the sorry state of the Liberian economy, prospects are dim for large commercial sales. While we believe the pro-Western Doe realizes that neither the Soviet Union nor Libya is able or willing to meet Liberia's rice needs, he could always threaten to approach them in order to put pressure on Washington. The Soviets or Libyans—especially in light of the chilly relations between Monrovia and Moscow and Tripoli—could seek to take advantage of any eruption of popular discontent by trying to develop clandestine ties with disgruntled civilian or military factions. [redacted]

Nigeria

Nigeria imports more rice than any other West African country and by 1985, according to both US Government and private industry sources, may be importing 1 million metric tons annually—500,000 of which may be from the United States. Rapid urbanization—Nigeria has the largest urban population in black Africa—and higher incomes derived largely from oil production have produced an explosion in the demand for high-quality imported rice. Unlike many other West African countries, Nigeria does not subsidize consumer prices, but the government has been forced to spend increasingly scarce foreign exchange on rice imports. The increasing volume of these imports has provided numerous and lucrative opportunities for high-level corruption. Steep rice prices and extensive local reporting of rice dealings have tarnished the public images of the President and the ruling National Party of Nigeria. [redacted]

Increasing Demand, Increasing Imports. Rice is now grown in all 19 states; and rice production, according to a report presented at a recent meeting of the Food and Agriculture Organization, has almost tripled in

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Table 3

Nigerian Rice Production, Consumption, and Import Patterns

	Average			1975	1976	1977	1978
	1960-64	1965-69	1970-74				
Production							
Area under rice (1,000 ha)	168.6	220.8	268.5	261.0	172.0	244.0	253.0
Paddy production (1,000 mt)	197	299	453	643	232	400	417
Yield of paddy (kg/ha)	1,162	1,343	1,683	2,464	1,348	1,639	1,648
Milled equivalent of paddy (1,000 mt)	129.9	197.3	298.7	424.4	153.1	264.0	275.2
Consumption and imports							
Estimated rice consumption per capita (kg)	1.8	2.4	2.9	6.1	5.5	5.9	8.5
Rice available for consumption (mt)	97.2	145.8	200.5	450.2	372.8	124.9	224.3
Estimated total consumption (1,000 mt)	98.2	146.8	203.1	456.9	418.2	466.5	680.8
Total net imports (1,000 mt)	1.2	1.0	2.8	6.7	45.4	341.6	456.5

Source: West African Rice Development Association.

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the last three years. The same report indicates, however, that demand has been growing by an estimated 20 percent annually since 1974 and that rice now accounts for about 7 percent of Nigeria's total food consumption. In an attempt to achieve self-sufficiency, the government has embarked on several ambitious plans to boost food production and reduce the country's \$2 billion food import bill, halt the drift of rural Nigerians to urban areas, and revive a once-thriving agricultural export sector. But technical and administrative constraints—such as the difficulty and inefficiency in supplying fertilizers and poor coordination of extension services—still hinder the government's attempts at achieving self-sufficiency. In the meantime, Lagos continues to import record amounts of rice—600,000 tons last year, compared with 100,000 tons in the 1960s. [Redacted]

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Rice and Corruption. For the last two years, the Shagari government has issued a limited number of licenses—mainly to influential supporters of the President and the National Party of Nigeria (NPN)—to import rice. By restricting the amount of rice imported and available in markets, import license holders have been able to drive prices up. In 1981 rice

imported for about \$25 per 110-pound bag often sold in markets for over \$160 per bag. [Redacted]

[Redacted]

Shagari's opponents have leveled charges in the public media that corruption extends to the highest levels of the government, while [Redacted]

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[Redacted] rumors are circulating in Nigeria that tie the President himself to the rice trade. We believe that an inconclusive, full-scale National Assembly investigation into licensing procedures did little to convince the public of the government's innocence. Opposition parties, according to various Embassy reports, will capitalize on this issue in general elections next year as part of their efforts to picture Shagari and the NPN as corrupt and the party of the rich. [Redacted]

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Prospects. Based on past performance and projected demand, the Embassy predicts, and we agree, that Nigeria will be forced to continue importing rice for

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the foreseeable future, even if the current targets for increased local production are met. Without some slowdown in rural migration, rice imports may rise to 1 million tons by the mid-1980s, absorbing approximately \$500 million in foreign exchange that would otherwise be available for economic development. Given the strong preference of urban Nigerians for long-grain, high-quality rice, Nigeria is likely to import increasing amounts of rice from the United States. The United States exported \$223 million worth of rice to Nigeria in 1981—a 142-percent increase over 1980. In addition, Nigeria probably will look to the United States for increased technical assistance in improving Nigeria's domestic rice production. [redacted]

We believe that continued high prices and government manipulation of the rice trade could help fan urban discontent and, if economic conditions continue to worsen, could even threaten the stability of the three-year-old civilian regime. Faced with declining living conditions, Nigeria's volatile electorate is unlikely to continue to accept the government's claims that imports must be severely restricted to preserve foreign exchange, protect domestic producers, and discipline consumption habits. Although we doubt that rice shortages or escalating rice prices alone will bring down the government, they will help the President's opponents focus popular attention on government mismanagement and corruption. [redacted]

Shagari may be forced to choose between two politically unappealing alternatives. We believe that if he ends the lucrative rice-licensing scheme to reduce consumer prices he risks alienating influential party and financial supporters. On the other hand, some voters may be influenced against Shagari and his party if prices remain high and if the public continues to believe that a handful of loyal NPN supporters are benefiting at the expense of the urban consumer. [redacted]

Sierra Leone

In our view the inability of the Stevens government in Sierra Leone to ensure a steady supply of cheap rice presents a serious threat to the already shaky government. Sierra Leoneans consume more rice per capita than other West Africans. High rice prices and other economic issues prompted labor leaders to call a

general strike last year that forced Stevens to cut by half the official price of rice. The government, however, will have a difficult time enforcing official prices, and Stevens's opponents will be likely to cite this failure as another reason for replacing the 77-year-old leader. [redacted]

Rising Demand and Stagnant Production. Rice, Sierra Leone's main agricultural crop, is grown on over 70 percent of all cultivated lands and employs 85 percent of the country's farmers. Academic studies of rice production in West Africa indicate that Sierra Leone is one of the few West African nations capable of producing rice economically and achieving self-sufficiency. Production increases, however, have not kept pace with growing demand. Many small farmers grow rice only for their own families, preferring to grow coffee and cocoa for sale because government pricing policies favor these export crops. In addition, diseases and pests, adverse weather, and the general lack of use of fertilizers hold down production. [redacted]

The Rice Dilemma. Stevens—perhaps more than any other West African leader—was shaken by the 1980 overthrow of the Tolbert government in Liberia. Extensive press and public reporting indicated that Stevens and Tolbert were close and that Stevens was well aware of parallels between Liberia and Sierra Leone. Rice is an urban and rural staple in both countries, and Stevens and Tolbert were criticized openly by domestic opposition groups for spending lavishly to play host to OAU summits while living conditions in their countries deteriorated. These press sources reported that Stevens feared that Sierra Leoneans—following the Liberian example—might take to the streets if the government were unable to assure a steady supply of cheap rice. Finally, the same sources suggest that Stevens was aware of smoldering discontent among military personnel who might use the rice issue to gather popular support for seizing power as did Liberia's Sergeant Doe. [redacted]

Stevens has been unable to develop a coordinated and coherent rice policy. According to numerous agricultural assessments, the government lacks the long-range planning capability necessary to assure a steady

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Table 4

Sierra Leonean Rice Production, Consumption, and Import Patterns

	Average			1975	1976	1977	1978
	1960-64	1965-69	1970-74				
Production							
Area under rice (1,000 ha)	296	326	423	435	463	410	416
Paddy production (1,000 mt)	312	427	580	609	642	624	633
Yield of paddy (kg/ha)	1,081	1,312	1,408	1,401	1,385	1,522	1,522
Milled equivalent of paddy (1,000 mt)	205.7	281.4	383.1	401.9	423.7	411.8	427.9
Consumption and imports							
Estimated rice consumption per capita (kg)	82.9	103.7	128.5	117.5	125.1	132.3	122.9
Rice available for consumption (mt)	164.5	210.7	308.6	325.1	337.3	359.7	345.7
Estimated total consumption (1,000 mt)	179.1	246.1	336.9	328.9	358.4	383.6	363.9
Total net imports (1,000 mt)	16.2	21.3	34.3	0	3.5	16.5	18.2

Source: West African Rice Development Association.

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supply in the marketplace. Moreover, Stevens has been reluctant, when approached in the past, to implement measures necessary to increase local production. Government-sponsored agricultural programs have floundered due to poor management and a lack of financial and technical resources. The government expects a poor crop this year and, according to the US Embassy, will be forced to import 80,000 tons of rice in 1982 compared to an estimated 20,000 to 25,000 tons in 1981. [redacted]

Prospects. In our opinion, President Stevens will have a difficult time recovering the control and popularity lost after the 1981 disturbances. The government headed off more serious trouble last year only by backing down on a number of issues, promising economic improvement, and declaring martial law. However, private traders—who dominate the marketing of domestic rice—were not party to the 1981 negotiations, and the Embassy recently reported that current prices are double the official price set last year. The government also has been pressed by the

IMF to raise producer prices and cut subsidies. Sierra Leone agreed to the “economic” pricing of rice in 1981 as a condition for receiving IMF assistance and recently passed on to consumers a 22-percent increase in the cost of imported rice. [redacted]

The political risks of raising consumer prices, in our view, are high. Opposition groups, emboldened by last year’s strike, are likely to use the hardships caused by austerity measures to rally popular support against the government. As Stevens becomes increasingly unable to balance competing demands for rice and other essential imports, we believe he probably will step up his appeals to the United States and other rice exporters for more concessional sales and relief aid. Stevens’s inability to secure rice aid almost certainly will be viewed by his growing number of opponents as an indication that he has lost the support of even his traditional benefactors and should be replaced. [redacted]

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