



The subsidies to the EU exports of cereal products to West Africa in 2015 and 2016

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Introduction: the risks that West Africa's imports of cereals explode

The EU-West Africa (WA)'s Economic Partnership Agreement (EPA) has planned to reduce to 0 the import duty (ID) on non-rice cereal imports from the European Union (EU) at the beginning of the liberalization period, in year T+5, knowing that it is already at only 5% from all origins. Although this elimination is the choice of WA and has not been formally imposed by the EU, the EPA prohibits any increase in the future unless the EU agrees temporarily.

Wheat is by far the main imported cereal excluding rice, with an import growth rate of 5.78% from of all origins between 2001 and 2013, compared with 2.75% for the population, implying a growth rate of wheat consumption per capita of 2.95%, from 13.76 kg to 19.50 kg. The extension of this growth rate would result in a consumption of 55.53 kg per capita in 2050 and imports of 44.3 million tonnes (Mt) as against 6.5 Mt in 2013, with a population rising from 334 M inhabitants in 2013 to 798 M in 2050. Already the consumption per capita would be of 31 kg in 2030 and imports of 16 Mt for a population of 516 M inhabitants, then equal to that of the EU28 which will stagnate.

This is an unsustainable prospect for several reasons, of which the impossibility of financing these imports since the yield of wheat has reached a ceiling in the Western exporting countries for 20 years, and it should decrease with their desire to reduce chemical fertilizers and pesticides. Faced with a declining supply, wheat prices will only explode as the Arab and West Asian countries will have more purchasing power to import because they lack the ecological potential of sub-Saharan Africa to diversify their food production. The change in the WA diet is all the more necessary in view of the need to increase rural employment – with the rural population rising from 169 M in 2010 to 221 M in 2030 and 255 M in 2050 – hence the production of local cereals and tubers by protecting them from competition of imported wheat. This is all the more justified for imports from the EU – which are largely dominant in WA francophone countries – than it subsidizes them very strongly as shown in this document.

Several efforts have been made in some WA countries to try to reduce wheat imports, in particular by incorporating a minimum of local cereals into wheat baguettes. This is particularly the case in Senegal, where ASPRODEB (Senegalese Association for the Promotion of

Development at the Ground, the operational arm of CNCR, the National Rural Coordinating Council) is carrying out a joint project with the Bakers' Federation and the Food technology Institute, financed by the World Bank, for bread incorporating 15% of local cereals¹. While ASPRODEB is targeting mainly urban consumers, SOL has been training since 2011 traditional informal bakers with breads incorporating 30% of local cereals². Despite the very positive aspects of these actions, however, they require a much higher percentage of wheat than of local cereals and WA should simultaneously promote the consumption of wheat-free food products, as in Latin American countries where maize tortilla remains the basic staple in Mexico and Central America and cassava pizzas are also much consumed in Brazil. Supplemented with beans these two products allow a balanced diet and much cheaper than wheat bread or pasta.

I – The subsidies to the EU exports of cereal products to West Africa in 2015 and 2016

Tables 1 and 2 show that total exports of EU28 raw cereals to West Africa (WA) decreased by 8.4% in tonnage and 22.5% in value from 2015 to 2016, the FOB price (free on board) falling by 14.3% (from 202.9 €/tonne to 173.8 €/t). EU28 subsidies to these exports also fell by 11.1%, from €166.7 million (€M) to €148.2 M. On the other hand, the average dumping rate – the ratio of subsidies to the FOB value of exports or the subsidy per tonne (t) to the FOB price per t – increased from 30.65% to 34.73%.

Table 1 – The subsidies to the EU28 exports of cereal products to West Africa in 2015

Tonnes, €1000	wheat	soft wheat	durum wheat	barley	oats	maize	rice	sorghum	others	Total cereals
EU28 exports										
Tonnes products	2649537	2559469	90069	1,3	86	30313,1	751,2	0,8	4,2	2680695
Value €1000	537778	500308	37470	0,6	135,4	5225,2	744	3,72	6,49	543893
FOB price: €/t	203	234,6	416	461,5	1574,4	172,4	990,4	4650	1545,2	202,9
EU28 exporting countries										
France	1660453	1581383	79071			15176,2	16,4	0,7	0,6	1675648
Germany	745867	745867					33,3			745900
Poland	150661	150661								93512
Romania	26250	26250				15000				41250
Lithuania	27499	27499								27499
Latvia	27800	27800								27800
Spain	10998		10998		1	1,8	72,4			11063
Portugal						117,7	267,7			385,4
United Kingdom					29,4		138,9			168,3
Netherlands				0,8	5	15,9	92,7			114,4
Belgium						1,6	11,4			13
Malta					48					
Italy							3			3
Total	2649528	2559460	90069	0,8	83,4	30313,2	635,8	0,7	0,6	2680564
EU15 States	2417318	2327250	90069	0,8	83,4	15313,2	635,8	0,7	0,6	2433354
EU12 States	232210	232210		0	0	15000	0	0	0	247210
	EU14*			Germany	Poland	Lithuania	Romania	Latvia		
Subsidy in €/t	66,75			56,9	56	44	46,6	40		62,18
Subsidies: €1000	111569			42440	8437	1210	1922	1112		166690
Dumping rate										30,65%

Source: Eurostat, Comext analytical; EU14: EU15 minus Germany

Wheat accounted for 98.8% of EU28 exports in volume and 98.9% of exports in value in 2015 and for 97.7% in volume and 97.3% in value in 2016. France is leading with 62.7% of exports in volume in 2015 and 60.9% in 2016, Germany's share declining from 28.2% to 17.3%. Spain is the only EU15 country to have exported wheat, but only for 0.4% of the total in 2015 and 0.25% in 2016. France also exported half of the maize. Other EU15 countries have exported very small quantities of other cereals (barley, maize and rice). 5 member States of Eastern

¹ <http://www.agroalimentaire.sn/lancement-dune-campagne-de-sensibilisation-sur-le-pain-doole/>

² <https://www.sol-asso.fr/senegal-valoriser-les-cereales/>

Europe – Poland, Romania, Lithuania, Latvia, Bulgaria – provided the balance, Poland being far ahead with 5.6% of the total of the EU28 in 2015 and 10% in 2016, with a FOB price lower than that of France: 192.1 €/t against 213.6 €/t for France in 2015. But it is not known if the quality was the same.

Table 2 – The subsidies to the EU28 exports of raw cereals to WA in 2016

Tonnes et1000 €	wheat	soft wheat	durum wheat	barley	oats	maize	rice	others	Total cereals
EU28 exports									
Tonnes of products	2398739	2325210	73528	7436	18,1	48111	1318	22	2455644
Value €1000	415303	394202,5	21100,2	1905	28,3	8636,3	862,8	17,1	426753
FOB price: €/t	173,1	169,5	286,7	256,2	1562,4	179,5	654,8	767,3	173,8
EU28 exporting countries									
France	1460348	1404215	56133			39712	95,5		1500155,5
Germany	466782	466782					32,9		466814,9
Poland	245198	245198							245198
Lithuania	106131	106131							106131
Romania	61592	56704	4888						61592
Latvia	27000	27000				6464,7			33464,7
Bulgaria	25686	19179	6507						25686
Belgium				7432,7					7432,7
Spain	6000		6000				512,4		6512,4
Portugal						1893,7	538,6		2432,3
Netherlands							31,7		31,7
Total	2398737	2325209	73528	7432,7		48070,4	1211,1		2455451,2
EU15 States	1933130	1870997	62133	7432,7		41605,7	1211,1		1983379,5
EU12 States	465607	454212	11395			6464,7			472071,1
	UE14*		Germany	Poland	Lithuania	Romania	Latvia	Bulgaria	
Subsidy in €/t	66,75		56,9	56	44	46,6	40	45	60,35
Subsidies: €1000	97879		26560	13731	4670	2870	1339	1156	148205
Dumping rate									34,73%

The calculation of export subsidies makes it necessary to distinguish between countries. To the extent that Germany has chosen to have decoupled direct aids equal for all hectares (ha) per Länder but with a national convergence by 2019, the division of the total €7.6 billion in agricultural subsidies (beyond decoupled aids) in 2015³ by the 16.7 M ha of UAA (used agricultural area) corresponded to an average subsidy of 455 €/ha which, for the cereal yield of 8 tonnes in 2015, made a subsidy 56.9 €/t. SOL calculated in May 2015 that the subsidy per tonne of cereals excluding rice was of 66.75 €/t in the EU15 in 2014, of which 59.81 €/t for direct aids and 6.94% for transversal coupled subsidies to cereals (for the share they represent in the value of total agricultural production). It should be pointed out that in 2016, following the fall in weather-related yields which reduced the cereal harvest by 20%, French cereal growers received from the government specific subsidies, of which various "de minimis" subsidies which do not have to be notified to the European Commission. XWe will therefore keep this subsidy of 66.75 €/t for 2016 for France and the other EU15 member States than Germany, especially since their exports of cereals to WA have been insignificant. The same subsidy will be used for all wheat, although durum subsidies are higher than those to soft wheat because durum wheat accounted for only 3.4% of the total wheat exported in 2015 and 3.1% in 2016. France has accounted for 87.8% of the EU28 durum wheat exports to WA in 2015 and 76.3% in 2016. For the 5 member States of the EU13 13 – Poland, Lithuania, Latvia, Romania, Bulgaria – their subsidies per tonne of cereal were calculated from their average subsidy per hectare divided by their cereal yield in 2015 on the basis of their annual agricultural reports in 2015 and data from the EU DG Agriculture. The same value was maintained for 2016 although it increased in Romania and Bulgaria, which had not reached their SAPS (single area payment scheme) ceiling.

³ https://ec.europa.eu/agriculture/statistics/factsheets_en

It should be noted, however, that the EU is not the only supplier of wheat to WA since ECOWAS imported 6,357 Mt of wheat in 2015 according to ITC TradeMap, of which 4,357 Mt in Nigeria (although ITC Trade Map data are not always reliable). And according to the USITC (US trade statistics) US wheat exports to WA have exceeded those of the EU28 up to 2014 and have continued to surpass those imported by Nigeria from the EU28.

Table 3 - Exports of wheat to WA from the United States and the EU28 from 2010 to 2016

1000 tonnes	2010	2011	2012	2013	2014	2015	2016
US to WA	3374	3652	3054	3052	2351	1960	1154
US to Nigeria	3328	3574	2937	2959	2225	1900	1074
EU to WA	1960	1393	1684	2001	2075	2650	2399
EU to Nigeria	342	131	356	299	370	482	485

Source : Eurostat et <https://dataweb.usitc.gov/scripts/prepro.asp>

Tables 4 and 5 present the subsidies for the cereal products. In order to save time, we will limit ourselves to presenting the data on the EU28's exports because the identification of the individual contribution of each Member State would take too long. The cereal equivalent rate per tonne (tce) of each tonne of processed products is multiplied by the tonnage of these cereals to obtain the incorporated crude cereals and multiplied by the average subsidy of 62.18 €/t in 2015 and 60.35 €/t in 2016 to obtain the total subsidies for the processed cereal products.

Table 4 – EU28 export subsidies to processed cereals to WA in 2015

	1101	1102	1103	1104	1107	1108	1109	19	2203	2208	Total
	wheat flour	other flours	groats	other processed	malt	cereal starch	gluten	cereals preparations	beer	spirits*	
Exports: t	30810,8	1803,2	62722,6	11548,1	227784	12467,2	2674,1	284184,9	89742,5	9409,8	733147,2
Exports: € 1000	9600,8	1107	31937,7	11587,7	88017,2	3956,9	4003,9	607692,6	59914,8	37557	855375,6
FOB price/t	311,6	613,9	509,2	1003,4	386,4	317,4	1497,3	2138,4	667,6	3991,3	1666,7
Rate of tce	1,33	1,33	1,33	1,02	1,15	1,18	10	1,25	0,17	1,12	1,12
Total cereals: t	40978,4	2398,3	83421,1	11779,1	261951,6	14711,3	26741	355231,1	15256,2	10539	823007,1
Subsidies €1000	2548	149,1	5187,1	732,4	16288,2	914,7	1662,8	22088,3	948,66	655,3	51174,6
Dumping rate	26,5%	13,5%	16,2%	6,3%	18,5%	23,1%	41,5%	3,6%	1,6%	1,7%	5,9%

* Spirits from cereals: whisky, gin, genever, vodka.

Table 5 – EU28 export subsidies to processed cereals to WA in 2016

	1101	1102	1103	1104	1107	1108	1109	19	2203	2208	Total
	wheat flour	other flours	groats	other processed	malt	cereal starch	gluten	cereals preparations	beer	spirits	
Exports: t	38108,1	1854,7	92031,0	14163,6	239905,9	13286,4	2886,8	304766,8	92672,3	10950,9	810626,5
Exports: € 1000	11306,2	766	34688,7	11223,9	91793,8	4364,5	4310,5	537214,9	62260,4	42944,6	800873,5
FOB price/t	296,7	413	376,9	792,4	382,6	328,5	1493,2	1762,7	671,8	3921,6	988
Rate of tce	1,33	1,33	1,33	1,02	1,15	1,18	10	1,25	0,17	1,12	1,13
Total cereals: t	50683,8	2466,8	122401,2	14446,9	275891,8	15678	28868	380958,5	15754,3	12265	919414,3
Subsidies €1000	3058,8	148,9	7386,9	871,9	16650,1	946,2	1742,2	22990,8	950,8	740,2	55486,7
Dumping rate	27,1%	19,4%	21,3%	7,8%	18,1%	21,7%	40,4%	4,3%	1,5%	1,7%	6,9%

As a result, the tonnage of cereals incorporated in processed products exported to WA increased by 11.7% from 2015 (823,007 t) to 2016 (919,414 t) and subsidies increased by 8.4% (from €51.2 M to €55.5 M). The average dumping rate increased by 16.9%, from 5.9% to 6.9%. It is clear that these dumping rates on processed products are much lower than those on raw cereals because their content is relatively small and highly variable from one processed product to another.

By adding tables 1 and 3 for 2015 and 3 and 5 for 2016, table 6 shows that the total volume of cereals exported by the EU28 to WA decreased by 3.7% from 2015 (3.504 Mt) to 2016 (3.375 Mt), that the FOB value of total cereals fell by 17.5% (from €711 M to €587 M) and that the subsidies fell by 6.5% (from €217.9 M to €203.7 M).

Table 6 – EU28 total cereal exports and subsidies to WA in 2015 and 2016

	2015			2016		
	Raw cereals	Processed cereals	Total cereals	Raw cereals	Processed cereals	Total cereals
Tonnes	2680693	823007	3503700	2455451	919414,3	3374865
Euros 1000	543893	166988	710881	426753	159794	586547
Subsidies	167757	59697	227454	156156	58475	214631
Dumping rate	30,8%	35,7%	32%	36,6%	36,6%	36,6%

Despite the slight decrease in the total volume of cereals exported and their subsidies from 2015 to 2016, these are considerable and are expected to explode if the regional EPA is finalized since the already extremely low tariff on raw cereals excluding rice (5%) would be eliminated at the outset of liberalization. This will already be the case for Ivory Coast (IC) in 2018 and Ghana in 2021 since their interim EPAs were implemented in 2016.

If the subsidies to exports of dairy products from the EU28 to WA in 2015 and 2016⁴ are added to those to cereal products, we get to €308 M in 2015 and €284.8 M in 2016, to be compared with the €66 M in customs losses the first year of liberalization or €209 M the third year in the case of a regional EPA⁵. We can also compare with the €167 M of the GSP duties that IC, Ghana and Nigeria would have had to pay on their exports to the EU28-RU in 2015 in the absence of a Cotonou Agreement or of the EPA, a fortiori with the €45.8 M if they had the GSP+ scheme. Furthermore, since the tariffs on these two products would be eliminated in the regional EPA, their imports from the EU will explode in view of the population growth and trade diversion, hence also the dumping of EU exports.

II – The subsidies to the EU28 exports of cereal products to Ivory Coast in 2015 and 2016

Tables 7 and 8 present the export subsidies for raw and processed cereals from the EU28 to Ivory Coast (IC) in 2015 and 2016.

Table 7 – The EU28 subsidies to exports of raw cereals to Ivory Coast in 2015 and 2016

Tonnes and €1000	wheat	soft wheat	durum wheat	oats	maize	rice	others	raw cereals
2015								
Tonnes	506352,1	439282,1	67070		5116	7,6	0,2	511475,9
1000 €	122049,2	93136,7	28912,5		823,3	12,1	0,9	122885,5
Fob price in €/t	241	212	431,1		160,9	1592,1	4500	240,3
Subsidies €1000	31485	27314,6	4170,4	0	318,1	0,5	#0	31803,6
Dumping rate								25,9%
2016								
Tonnes	557632,7	508111,7	49521	3,5	99,3	410,1	0	558145,6
1000 €	111370,8	95904,9	15465,9	5,9	48,1	173,6	0,26	111598,4
Fob price in €/t	199,7	188,7	312,3		484,4	423,3		199,9
Subsidies €1000	33653,1	30664,5	2988,6	0,2	6	24,7	0	33684,1
Dumping rate								30,2%

The subsidies to raw cereals increased by 10.6% from 2015 (€31.8 M) to 2016 (€33.7 M) in spite of the decrease in the subsidy per tonne (from 62.18 €/t to 60.35 €/t) as the volume of exports increased by 9.1% (from 511,476 t to 558,146 t). France supplied 94.4% of the EU28 volume of wheat exports to IC and 95.6% in the value in 2015 and 96.8% in the volume and 96.4% in the value in 2016.

The subsidies to processed cereals increased by 13% despite the decrease in the subsidy per tonne, as the volume of cereal equivalents increased by 34.5% (from 102,025 t to 137,242 t).

⁴ *Subventions aux exportations de produits laitiers de l'UE28 à l'Afrique de l'Ouest en 2015-2016*, SOL, 8 mars 2017; *The EU dumping of its dairy products to West Africa in 2015*, SOL February 22, 2017

⁵ *West Africa's losses of customs duties with and without the Economic Partnership Agreement (EPA) with the EU*, SOL, February 7, 2017

Total cereal exports increased from 613,501 t to 695,388 t and the corresponding subsidies from €38.147 M to €41.967 M. Adding the EU subsidies to exports of dairy products to IC, which amounted to €8.660 M in 2015 and €5.885 M in 2016, will reach a total of €46.807 M in 2015 and €47.852 M in 2016, to be compared with the €42 M loss of customs duties on imports from the EU28-UK at the beginning of the liberalization⁶. It is all the more justified to compare with imports from the EU after the Brexit that the UK did not export raw cereals to IC (Tables 1 and 2) and virtually no processed cereals.

Table 8 – The EU28 subsidies to processed cereals exported to Ivory Coast in 2016

	1101	1102	1103	1104	1107	1108	1109	19	2203	2208	Total
	wheat flour	other flours	groats	other processed	malt	cereal starch	gluten	cereals preparations	beer	spirits*	
2015											
Exports: t	62	16,7	26212,9	1989	28906,6	2778,5	526,6	17214,2	7512,6	398	85617,1
Exports: € 1000	51,2	23,1	12733,7	1630,9	12165,4	881,82	833,4	42164,1	5501,1	2476,3	78461
FOB price/t	825,8	1382,2	485,8	820	420,9	317,4	1582,6	2449,4	732,2	6221,9	916,4
Rate of tce	1,33	1,33	1,33	1,02	1,15	1,18	10	1,25	0,17	1,12	
Total cereals: t	82,5	22,2	34863,2	2028,8	33242,6	3278,6	5266	21517,8	1277,1	445,8	102024,5
Subsidies €1000	5127,4	1381,1	2167791,1	126149,5	2067024,3	203865,2	327439,9	1337973,7	79412,7	27717,4	6343882,2
Dumping rate											8,1%
2016											
Exports: t	116,8	20,7	40321,8	3658,1	37918,1	4386,8	482	18901,3	11149,1	513,6	108944,9
Exports: € 1000	59,2	29,9	15851,2	2389,4	15695,7	1370,4	757,1	43812,7	7672,1	3109,8	86237,6
FOB price/t	506,8	1444,4	393,1		413,9			2318	688,1	6054,9	791,6
Rate of tce	1,33	1,33	1,33	1,02	1,15	1,18	10	1,25	0,17	1,12	
Total cereals: t	155,3	27,5	53628	3731,3	43605,8	5176,4	4820	23626,6	1895,3	575,2	137241,6
Subsidies €1000	9375	1661,5	3236449,4	225181,7	2631610,9	312397,2	290887	1425866,8	114384,2	34715,3	8282529
Dumping rate											9,6%

* Spirits from cereals: whisky, gin, genever, vodka.

III – The subsidies to the EU28 exports of cereal products to Ghana: 2015 and 2016

Tables 9 and 10 present the subsidies to the EU28 exports of raw and processed cereals to Ghana in 2015 and 2016.

Table 9 - The EU28 subsidies to exports of raw cereals to Ghana in 2015 and 2016

Tonnes and €1000	soft wheat	maize	rice	others	Raw cereals
2015					
Tonnes	83766,4	20500	70		104336,4
1000 €	15340	3187,9	44,5		18572,4
Fob price in €/t	183,1	155,5	635,7		178
Subsidies €1000	5208,6	1274,7	4,4	0	6487,6
Dumping rate					34,9%
2016					
Tonnes	56400	13696,2	561,1	0,2	70657,5
1000 €	9041,2	2205,8	418	2	11667
Fob price in €/t	160,3	161,1	745	10	165,1
Subsidies €1000	3403,7	826,6	33,9		4264,2
Dumping rate					36,5%

The subsidies to raw cereals fell by 34.3% from 2015 (€6.5 M) to 2016 (€4.3 M) as a result of the 32.3% decline in the volume of exports, of the subsidy per tonne (from 62.18 €/t to 60.35 €/t). France supplied all wheat exports in 2015 and 92.2% of the volume and 90.4% of the value in 2016.

The subsidies to processed cereals increased by 25.6% from 2015 (€3.3 M) to 2016 (€4.2 M) despite the decrease in the subsidy per tonne, as the volume of cereal equivalents increased by 29.6% (from 53,560 t to 69,420 t). However, total exports of cereals fell substantially from 157,896 t to 140,078 t and the corresponding subsidies from €9.818 M to €8.454 M. If we add

⁶ *The absurd ratification of Ivory Coast's interim EPA, SOL, December 31, 2016.*

the EU subsidies to its dairy exports to Ghana, which were of €6.608 M in 2015 and €7.087 M in 2016, the total has reached €16.426 M in 2015 and €15.541 M in 2016. This is to be compared with the €44.6 M in the GSP duties to be paid on its exports to the EU28-UK if Ghana's interim EPA (iEPA) were not implemented and a fortiori with the €5 M of GSP+ duties if Ghana had requested to the EU and got it⁷. It is all the more justified to compare with exports to the EU after Brexit that the UK did not export raw cereals to Ghana (Tables 1 and 2) and very little processed cereals.

Table 10 – The EU28 subsidies to processed cereals exported to Ghana in 2015 and 2016

	1101	1102	1103	1104	1107	1108	1109	19	2203	2208	Total
	wheat flour	other flours	groats	other processed	malt	cereal starch	gluten	cereals preparations	beer	spirits*	
2015											
Exports: t	767,2	0,9	52,5	3654,7	18854	441,9		18565,2	5907,8	2077	50321,2
Exports: € 1000	268,6	1,6	31,7	3047,9	7412,7	173,2		30857	5461,8	6291,2	53545,7
FOB price/t	350,1	1777,8	603,8	834	393,2	391,9		1662,1	924,5	3029	1064,1
Rate of tce	1,33	1,33	1,33	1,02	1,15	1,18	10	1,25	0,17	1,12	
Total cereals: t	1020,4	1,2	69,8	3727,8	21682,1	521,4	0	23206,5	1004,3	2326,2	53559,8
Subsidies €1000	63,4	07	4,3	231,84	1348,2	32,42	0	1443	62,4	144,6	3330,3
Dumping rate											6,22%
2016											
Exports: t	1105,4	0,4	21,1	5011,1	17505,3	281,2	2	18469,9	10528,7	15580,5	68505,6
Exports: € 1000	427	0,7	13,8	3618,6	6596	92,1	3	33115,5	9282,8	13673,1	66822,6
FOB price/t	386,3	1750	654	722,1	376,8	327,5	1500	1792,9	881,7	877,6	975,4
Rate of ce	1,33	1,33	1,33	1,02	1,15	1,18	10	1,25	0,17	1,12	
Total cereals: t	1470,2	532	28,1	5111,3	20131,1	331,8	20	23087,4	1789,9	17450,2	69420,4
Subsidies €1000	88,7	0,03	1,75	308,53	1214,9	20	1,2	1393,3	108	1053,1	4189,5
Dumping rate											6,27%

* Spirits from cereals: whisky, gin, genever, vodka.

IV – The subsidies to the EU28 exports of cereal products to Nigeria: 2015 and 2016

Tables 11 and 12 present the subsidies to the EU28 exports of raw and processed cereals to Ghana in 2015 and 2016.

Table 11 - The EU28 subsidies to exports of raw cereals to Nigeria in 2015 and 2016

Tonnes and €1000	soft wheat	barley	maize	rice	others	raw cereals
2015						
Tonnes	481815,2			163,6		481978,8
1000 €	93423,7			327		94750,7
Fob price in €/t	193,9			1998,8		196,6
Subsidies €1000	29959,3			10,2		29969,4
Dumping rate						31,6%
2016						
Tonnes	484754,1	7432,7	70,5	33,5	20,1	492310,9
1000 €	81521,5	1902,6	35,1	62,4	10,6	84532
Fob price in €/t	168,2	256	497,8	1862,7	527,4	171,7
Subsidies €1000	29254,9	448,6	4,3	2	1,2	29711
Dumping rate						35,1%

The subsidies to raw cereals fell slightly by 0.9% from 2015 (€29.969 M) to 2016 (€29.711 M), despite a 2.1% increase in the exported volume as a result of the decrease in the subsidy per tonne from 62.18 €/t to 60.35 €/t). France supplied all wheat exports in 2015 and 92.2% of the volume and 90.4% of the value in 2016. But as we have seen above (table 3), the US remains the main supplier of wheat to Nigeria, probably in part because it imports high-protein wheat that France is struggling to produce, and it imported a total of 4.352 Mt of wheat in 2015 according to ITC TradeMap.

The subsidies to processed cereals fell by 8.7% from 2015 (€19.6 M) to 2016 (€17.9 M) since, in addition to the decrease in the subsidy per tonne, the volume of cereal equivalents decreased

⁷ Ghana's absurd ratification of its interim EPA, SOL, December 31, 2016.

by 5.9% (from 315,008 t to 296,405 t). However, total exports of cereals fell by only 1% (from 796,987 t to 788,716 t) and the corresponding subsidies by 4%, from €49.6 M to €47.6 M. Adding EU subsidies to exports of dairy products to Nigeria, which reached €22.3 M in 2015 and €27.9 M in 2016, leads to a total of €71.9 M in 2015 and €75.5 M in 2016. This is about half the losses of customs duties in the first year of liberalization (€160 M) if the regional EPA was finally signed and implemented, but is also 8.5 times larger than the GSP duties that Nigeria paid in 2015 on its exports to the EU28-UK and 28.3 times larger than the GSP+ duties if the EU Commission had accepted its repeated request to benefit from it⁸. It is all the more justified to compare with exports to the EU after the Brexit that the UK has not exported to Nigeria raw cereals and very little processed cereals.

Tablea 12 – The EU28 subsidies to processed cereals exported to Nigeria in 2015 and 2016

	1101	1102	1103	1104	1107	1108	1109	19	2203	2208	Total
	wheat flour	other flours	groats	other processed	malt	cereal starch	gluten	cereals preparations	beer	spirits*	
2015											
Exports: t	9,4	202,7	1734,9	5005	135426	7277,2	1091,2	104097,9	162	1718	256724,3
Exports: € 1000	5	469,3	811,5	5815,9	50758,9	2204,5	1604,1	259256,6	202,9	11305,8	332434,5
FOB price/t	531,9	2315,2	467,8	11620,2	374,8	302,9	1470	2490,5	1252,56	6580,8	1294,9
Rate of tce	1,33	1,33	1,33	1,02	1,15	1,18	10	1,25	0,17	1,12	
Total cereals: t	12,5	269,6	2307,4	5105,1	155739,9	8587,1	10912	130122,4	27,5	1924,2	315007,7
Subsidies €1000	0,8	16,8	143,5	317,4	9683,9	533,9	678,5	8091	1,7	119,6	19587,2
Dumping rate											5,9%
2016											
Exports: t	13,1	151,8	704,4	4275,4	144423,3	6852,2	1040,1	82001,8	197,4	3373,8	243033,3
Exports: € 1000	4,9	176	250,3	3887,3	52234,7	2260,9	1508,9	171122,1	268	18001,7	249714,8
FOB price/t	374	1159,4	355,3	909,2	361,7	330	14507,3	2086,8	1357,6	5335,7	
Total cereals: t	17,4	201,9	936,9	4360,9	166086,8	8085,6	10401	102502,3	33,6	3778,7	296405,1
Subsidies €1000	1,1	12,2	56,5	263,2	10023,3	488	627,7	6186	2	22,8	17888
Dumping rate											7,2%

* Spirits from cereals: whisky, gin, genever, vodka.

V – The subsidies to the EU28 exports of cereal products to Senegal: 2015 and 2016

Tables 13 and 14 present the EU28 export subsidies to raw and processed cereals to Senegal in 2015 and 2016. The subsidies to raw cereals fell by 18.5% from 2015 (€28.306 M) to 2016 (€23.072 M) following a 16% drop in the volume exported (from 4,552 Mt to 3,823 Mt) and in the subsidy per tonne (from 62.18 €/t to 60.35 €/t). France supplied all wheat exports in 2015 and 92.2% of the volume and 90.4% of the value in 2016. The decline in French exports in 2016 could be linked to the 20% decline in its output and to a lower quality of wheat linked to climatic hazards.

Table 13 – The EU28 subsidies to exports of raw cereals to Senegal in 2015 and 2016

Tonnes and €1000	soft wheat	maize	rice	others	Raw cereals
2015					
Tonnes	455095,5	90,3	34	1,1	455220,9
1000 €	88636,8	317,1	44,3	5,9	89004,1
Fob price in €/t	194,8	3511,6	1302,9	5363,	195,5
Subsidies €1000	28297,8	5,6	2,1	0,07	28305,6
Dumping rate					31,8%
2016					
Tonnes	360015	22266,9	26,2	0,4	382308,5
1000 €	61287,3	4181,3	31,7	2,4	65502,7
Fob price in €/t	170,2	187,8	1209,9	600	171,3
Subsidies €1000	21726,9	1343,8	1,6	#0	23072,3
Dumping rate					35,2%

The subsidies to processed cereals increased by 22.2% from 2015 (€5.393 M) to 2016 (€6.590 M) following a 25.9% increase in tonnage (from 86,723 t to 109,189 t) despite the lower subsidy

⁸ Nigeria's losses of import duties if the regional EPA is implemented: 2020-50, SOL, December 31, 2016; GSP+ duties Nigeria could have paid to EU28-UK in 2015 without EPA, SOL, December 31, 2016

per tonne. However, total cereal exports fell by 9.3% (from 541,944 t to 491,498 t) and total subsidies by 12%, from €33.698 M to €29.662 M. Adding the EU28 subsidies to exports of dairy products to Senegal, which amounted to €5.143 M in 2015 and €5.441 M in 2016, leads to a total of €38.841 M in 2015 and €35.103 M in 2016, corresponding to 63.1% of Senegal's customs losses in the first year of liberalization (€61.6 M)⁹ for 2015 if the regional EPA was finally signed and implemented and of 69.9% for 2016. But this comparison does not take into account the EU subsidies to its other exports.

Table 14 – The EU28 subsidies to processed cereals exported to Senegal in 2015 and 2016

	1101	1102	1103	1104	1107	1108	1109	19	2203	2208	Total
	wheat flour	other flours	groats	other processed	malt	cereal starch	gluten	cereals preparations	beer	spirits*	
2015											
Exports: t	540,8	41,6	12999,7	0,5	1186,9	1936,8	727	45027	7108,7	219,7	69788,7
Exports: € 1000	169	33,7	6193	1,1	445,2	647,8	1105,7	89500,8	3309,1	1599,1	103004,5
FOB price/t	312,5	810,1	476,4	2200	375,1	334,5	1520,9	1987,7	465,5	7278,6	1475,9
Rate of ce	1,33	1,33	1,33	1,02	1,15	1,18	10	1,25	0,17	1,12	
Total cereals: t	719,3	55,3	17289,6	0,51	1364,9	2285,4	7270	56283,8	1208,5	246,1	86723,4
Subsidies €1000	44,7	3,4	1075,1	31,7	84,9	142,1	452	3500	75,1242	15,3	5392,5
Dumping rate											5,2%
2016											
Tonnes	207,1	34,5	13043	12,5	1187	1754,6	1263,3	58593,3	10056,5	436	86380,7
1000 €	68,4	20	4798	19,7	448,4	623,4	1885,7	107407,3	4169,1	2082,9	121454,5
Prix FAB €/t	330,3	579,7	367,9	1576	377,8	355,3	1492,7	1833,1	414,6	4777,3	1406
Tonnes e.c.	275,4	45,9	17347,2	12,8	1365,1	2070,4	12633	73241,6	1709,605	488,32	109189,3
Subventions	16,6	2,8	1046,9	0,8	82,4	125	762,4	4,4	103,2	29,5	6590
Dumping rate											5,4%

* Spirits from cereals: whisky, gin, genever, vodka.

Conclusion

The sharp increase in EU28 exports of cereal products to WA and the prospect of their large increase expected if the regional EPA were implemented – and already the certainty of their increase in IC and Ghana with their interim EPAs – should trigger the following reactions:

- Ivory Coast and Ghana should withdraw their signing and implementation of their interim EPAs and ask the EU to grant them the benefit of the GSP+ scheme.
- The other ECOWAS member States should take protective measures on their imports of raw and processed cereals from these two countries, or even exclude them from ECOWAS.
- They should give a clear renunciation to the regional EPA to the EU, and the States which have already signed must withdraw their signature.
- All WA States should reorient their food consumption patterns to reduce temperate cereal products, including wheat bread and pasta, by seeking cooperation of Latin American countries to reorient their consumption diet.

⁹ *The impact of Brexit, the regional EPA and interim EPAs of Ivory Coast and Ghana on Senegal and West Africa*, SOL, December 31, 2016