***African cotton farmers battling to survive***

**By Gumisai Mutume (from www.un.org)**

In the small, remote village of Logokourani in western Burkina Faso, cotton is everything. It is the mainstay of that rural community, providing the major, and in some cases the only, source of income for many inhabitants. Cotton pays for health and education. It helps build houses and schools. Not too long ago, when exports of cotton increased in value, production expanded in that part of the country, raising village incomes.

But the collapse of the cotton price on the world market -- it has fallen by 54 per cent since the mid-1990s -- threatens the very existence of communities such as Logokourani. "Cotton prices are too low to keep our children in school, or to buy food and pay for health," notes a small-scale cotton farmer in Logokourani. "Some farmers are already leaving. Another season like this will destroy our community."

While the major factors behind the declining price are varied and complex, the most significant is the increase in government subsidies paid to cotton farmers in the US, some analysts say. Similarly, agricultural subsidies in the European Union (EU) are cited as major factors in the decline of the world price of sugar. Rich nations of the Organization of Economic Cooperation and Development spent about $360 bn on agricultural supports during 2001, for a range of commodities. The practice of paying such subsidies to farmers in industrial nations is facing increased opposition from developing countries, which charge that subsidies foster unfair trade and flood world markets with cheap goods, thereby decreasing commodity prices.

The non-governmental organization Oxfam argues that production and export subsidies in the US have devastated not only small communities in Africa, but entire regions. During the 2001/02 season, the US spent about $3.9 bn on subsidies and other supports to its 25,000 cotton farmers, the NGO notes -- double the 1992 figure. These subsidies have encouraged overproduction in the US, resulting in the flooding of the world market by cotton sold at prices less than it costs to produce. This has depressed prices to levels at which competitors struggle to survive.

With low labour costs and small manageable plots, farmers in West and Central Africa are among the lowest-cost producers of cotton in the world. The International Cotton Advisory Committee puts the cost of producing a pound of cotton in Burkina Faso at 21 US cents compared to 73 cents in the US itself. However, state subsidies make the US farmers competitive – even when they are not – by giving them money regardless of whether they make a profit. African farmers and governments cannot compete with this level of wealth.

**Unfair advantage**

Northern subsidies place poor African farmers at a big disadvantage, notes the Oxfam report: "By driving down prices for these farmers, US taxpayers -- along with their European counterparts in other product groups -- bear a direct responsibility for poverty in Africa." It charges that US subsidies directly led to losses amounting to more than $300 mn in potential revenue in sub-Saharan Africa during the 2001/02 season. Leaders and activists in developing countries insist the US is not playing fair.

**Aid undermined**

One of the main criticisms against agricultural subsidies is that they work directly against efforts by donor nations, including the US, to combat poverty in developing countries. An estimated 96 per cent of the world's farmers live in developing countries, with some 2.5 billion people depending on agriculture for a livelihood. Many seek an opportunity to trade their way out of poverty through a fair trading system. Because the economies of many poor countries depend overwhelmingly on just one or a few products, they are vulnerable to declines in commodity prices.

"Frankly, we are starting to doubt whether rich countries really want to reduce poverty in developing countries," notes a joint statement against agricultural subsidies by cotton producers' federations in Benin, Burkina Faso and Mali. Despite declarations of intent to reduce poverty in poor countries, domestic policies in rich nations have often had the opposite effect. In West Africa, losses in export revenue outstrip the amount of economic assistance provided by Washington. Mali received $37.7 mn in US aid in 2001 but incurred losses of $43 mn due in large part to US subsidies, Oxfam reports. The 25,000 cotton farmers in the US receive more in subsidies than the entire gross domestic product of Burkina Faso -- one of the world's poorest countries, where more than 2 million people depend on cotton for their livelihood.

"There is no point in giving with one hand and taking with the other," UN Secretary-General Kofi Annan told the World Food Summit in June 2002, commenting on the impact of agricultural subsidies. "You put yourself in the shoes of a small developing country which cannot export its agriculture products because of restrictions and tariffs, a small developing country that cannot compete on the world market because the richer farmers in the richer countries are heavily subsidized."

Industrial countries also have been criticized for applying double standards by erecting high tariffs in agriculture while at the same time compelling developing countries to open their own markets.