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CAMEROON'S AGRICULTURAL ECONOMY IN BRIEF

By Mary T. Chambliss



-FOREIGN 215

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SUMMARY

Cameroon has an expanding economy which relies on both Government planning and free enterprise. Agricultural production, primarily of tropical products, accounts for 40 percent of the gross national product. Two-thirds of agricultural production is on a subsistence basis. Major cash crops are cocoa, coffee, bananas, cotton, peanuts, rubber, and oil palm products. The Government is encouraging the expansion and diversification of agricultural production.

Since Cameroon's main export crops are tropical, they do not compete with U.S. agricultural products. Coffee and cocoa are the major Cameroonian products purchased by the United States. In most years, rice and other grains and tobacco are the most important U.S. exports to Cameroon.

RECENT POLITICAL HISTORY

The Federal Republic of Cameroon was established on October 1, 1961. It is composed of two states--East Cameroon, formerly French Cameroun, and West Cameroon, formerly the British Southern Cameroons. French Cameroun became independent first, on January 1, 1960, as the

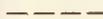
Republic of Cameroun. In 1961, the British Southern Cameroons joined the new nation. At the same time, the British Northern Cameroons joined Nigeria.

In the late 19th century and early part of this century, the area was a German Protectorate. In 1922, it was divided into two mandates of the League of Nations, one administered by the French and one by the British. These mandates were inherited by the United Nations and made Trust Territories. Today many of the political and economic practices established in each Trust Territory still continue. The Government of the Federal Republic has adopted both French and English as official languages and is making an effort to decrease the differences in administrative practices between the two states.

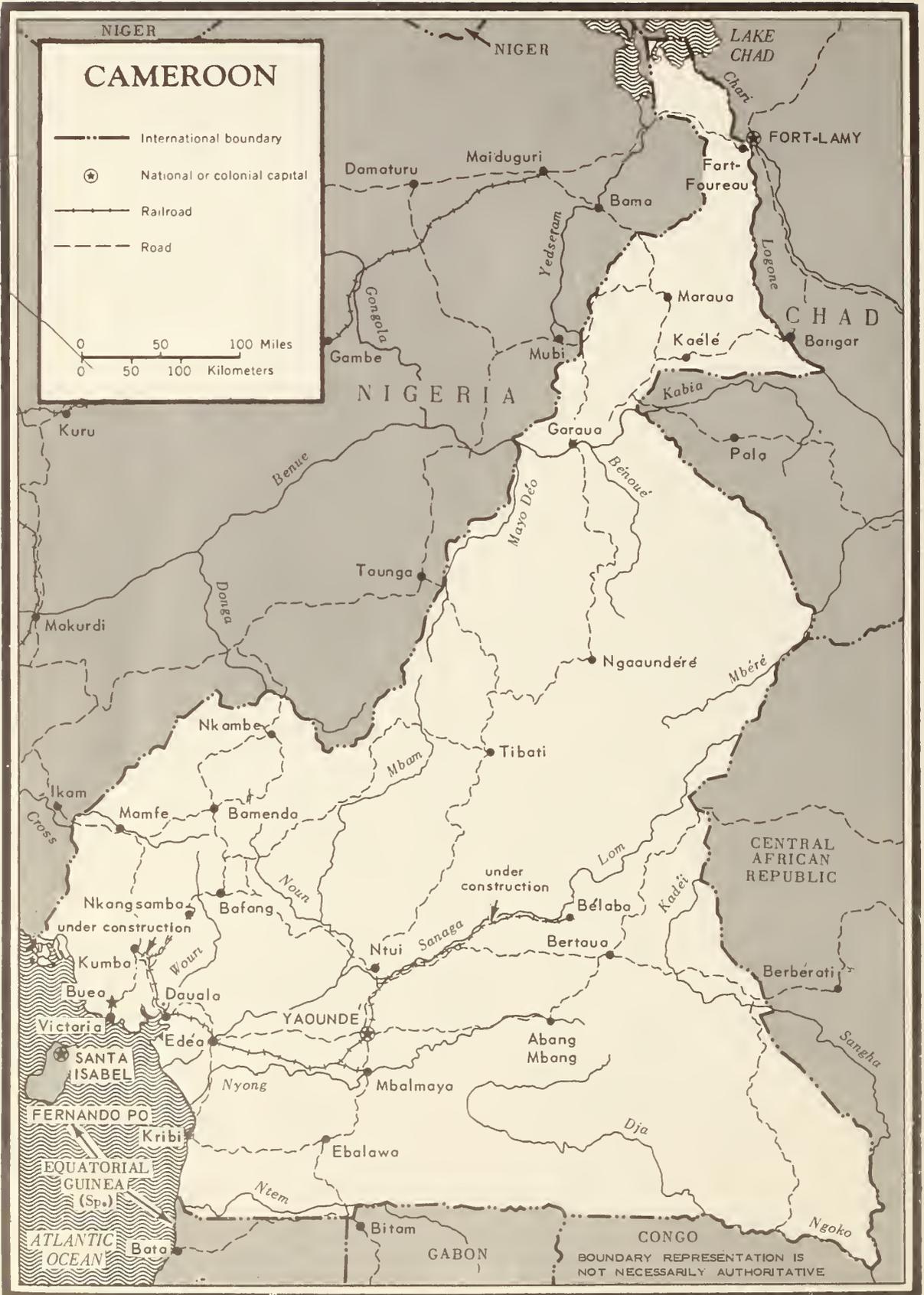
POPULATION

In mid-1967, the estimated population was 5.5 million, with an annual growth rate of 2.1 percent. The population is not evenly distributed; there is a higher density in West than in East Cameroon. About 90 percent of the people live in rural areas. The literacy rate is 10 percent--the percentage is highest in the southern part of the country.

CAMEROON

-  International boundary
-  National or colonial capital
-  Railroad
-  Road

0 50 100 Miles
0 50 100 Kilometers



Approximately one-third of the people are Christians, most of them living in the southern coastal regions. Islamic Fulani comprise only about 15 percent of the population but dominate the northern region. The remainder of the people practice basically animistic religions. The population is almost entirely African, composed of almost 200 tribes.

ECONOMIC SITUATION

Gross national product.--The 1965 gross national product was estimated at \$690 million (current prices). This indicates an annual per capita income in 1965 of \$130. Estimates of GNP based on current prices indicate a growth rate of 8 percent, but considering changes in prices, the actual annual growth rate appears to be closer to 5 percent. Though the agricultural sector at present contributes 40 percent to the GNP, its proportionate contribution has declined in recent years. The contribution of the manufacturing sector has increased and manufacturing now accounts for over 10 percent of the GNP.

Balance of trade.--In 1966, Cameroon experienced its second trade deficit, \$1 million, a large decrease from the 1965 deficit of \$12.4 million. Total exports in 1966--\$146 million--increased slightly. Imports were valued at \$147 million, a decrease of \$6 million from 1965.

Economic assistance.--Prior to independence, West Cameroon received aid from the British, primarily through the Cameroons Development Corporation, part of the former Colonial Development Corporation. After unification with East Cameroon, British aid to the West declined. At present, the Cameroon Development Corporation (CAMDEV) is the primary funnel for aid to the West. CAMDEV was established by the Government of Cameroon and is managed by the Commonwealth Development Corporation of the United Kingdom. French aid to East Cameroon has continued at about the same level as before independence.

Now most of the foreign aid to the Federal Republic comes from France and other European Economic Community (EEC)

countries. The United States also provides aid, principally development loans and grants. The Federal Republic of Germany has been increasing its aid program in recent years. It has made loans and provided advisers in various fields. Israel and the Netherlands have also given aid.

Economic outlook.--Cameroon is not a richly endowed country, though it has a warm climate and rainfall is plentiful in most areas. Its economy is based on agriculture. Thus far, no large mineral resources of commercial value have been discovered.

Cameroon faces many of the same difficulties as other developing countries--limited natural resources, a growing and untrained population, unstable prices in world markets for its agricultural commodities, and limited domestic markets. Cameroon also has the unusual problem of integrating two areas with different administrative backgrounds.

In spite of the difficulties facing Cameroon, its prospects for economic growth and development are good. The Government is stable and its fiscal and monetary policies have been sound. Both output and diversification are increasing. For this trend to continue, Cameroon will have to rely on foreign aid and investment, both private and public.

In 1960, Cameroon set an objective of doubling its per capita income by 1980 through a series of 5-year development plans. The first 5-year plan was for 1960-65. The West was not included until after it was united with the East in 1961. The development of transportation was emphasized in the plan. Secondary importance was given to agriculture and forestry. The over-all implementation of the plan was relatively satisfactory.

The second 5-year plan for 1966-71 is more comprehensive than the first. The second plan emphasizes the development of agriculture, including small farms. Economic infrastructure (the basic public services necessary for a marketing economy) is given slightly less emphasis than agriculture. The Trans-Cameroonian Railroad, the largest single development project, includes a planned extension of the existing Douala-

Table 1.--Land use in Cameroon

Type of land use	Amount	Percentage
	1,000 acres	Percent
Cultivated:		
Tree crops	2,086	2
Farm crops	4,378	4
Grazing	20,395	17
Forest	58,869	50
Fallow	20,754	18
Water surfaces, marsh, etc.	1,483	1
Wasteland	<u>9,395</u>	<u>8</u>
Total	117,360	100

Source: FAO Production Yearbook, 1960. Data for 1958 (East Cameroon) and 1954 (West Cameroon) were combined in the Yearbook.

Yaounde line as far north as Ngaoundere and, perhaps later, to the Chadian border. The second plan has very ambitious targets. All of the plan will probably not be achieved, but as much as three-fourths may be.

Expansion of the economy gained momentum in the 1950's and continues. The economy is still basically agricultural, but the industrial sector is beginning to develop. The major industry is processing imported alumina into aluminum. This is done at the factory at Edea, which began operating in 1957. Output of aluminum has increased from 7,500 metric tons the first year to an average of 50,000 metric tons in recent years. Cameroon's remaining industrial output is from smaller industries--food processing, textiles, leather processing, lumber production, and chemicals and chemical products.

PHYSICAL FEATURES

Cameroon is bordered on the west and northwest by Nigeria, on the north by Chad and Lake Chad, on the east by the Central African Republic, on the southeast by Congo (Brazzaville), and on the south by Gabon and Rio Muni (a part of Equatorial Guinea). The Cameroon coast is on the Gulf of Guinea. The country has an area of 183,400 square miles. It

stretches 700 miles from the coast in the south to Lake Chad in the north. A large part of the land is suitable for producing crops, although as table 1 indicates, only about 6 percent of total area is actually cultivated. In the central part of the country is a high plateau which tapers toward the south and north. West Cameroon is mountainous. Mount Cameroon, at 13,350 feet, is the highest mountain in western Africa. The soil around the mountain is rich and well drained. The distribution of moisture makes vegetation luxurious the year round. Near the foot of Mount Cameroon are large banana, oil palm, cocoa, tea, and rubber plantations. North of the mountain are tropical forests which are succeeded by extensive grassy highlands. In these highlands are the excellent cattle ranges of Bamenda. Similar good cattle ranges are found in central Cameroon in the Ngaoundere area. In eastern Cameroon, there are also large areas, both plateau and mountain, covered with dense forest. In the economically backward northern part of the country are wide stretches of savannah.

Climatic conditions differ from north to south. Tropical temperatures with slight variations and heavy rainfall are characteristic of the southern half of the country. There, rainfall varies from 400 inches a year near the highest mountains to 100 inches along the coast. The north has little rainfall and high temperatures. There are

only 10 inches of rain a year close to Lake Chad. This wide range of rainfall and the wide range of altitude in Cameroon make it possible to produce a variety of crops and to raise livestock.

The soils are partly volcanic, especially those in the west and southwest. The more volcanic soils are the most fertile and support the largest population. In the more fertile regions it is possible to cultivate more crops and the farmers appear to be more willing to experiment with new methods of cultivation.

AGRICULTURAL PATTERNS AND PRODUCTION

Cameroon has three major agricultural production regions:

1. In the northern region, millet, sorghum, yams, and rice are grown on a subsistence basis and cattle are raised. The principal cash crops are peanuts and cotton.

2. The central region produces cassava, cocoyams, corn, and sugarcane as both subsistence and commercial crops. Cocoa and coffee are the most important cash crops.

3. In the coastal region, bananas, cassava, and cocoyams are the main food crops. Coffee, oil palm products, and tea are the major cash crops.

As shown in table 2, production of most crops during recent years has increased.

About one-third of Cameroon's agricultural production is marketed. The amount entering the market economy depends on, and is usually hindered by, the availability of transportation and the prices received by the farmer. Most subsistence farming is done by women. One woman will often work several very small crop areas in scattered locations. Men usually work the cash crops, although women have primary responsibility for selling the food crops at local markets.

Land exploitation varies in different areas and with different crops. Where tea, coffee, cocoa, bananas, and oil palm trees are grown, land is usually owned by those who work the crops. In other areas, where annual crops are grown, there is no individual long-term ownership and land often belongs either to a tribe or to the State. Most annual crops are grown on a shifting cultivation pattern. A small patch of land is planted until the fertility of the soil is depleted--usually in 3 to 5 years. Then the land is allowed to grow up in bush or forest for a number of years, perhaps as many as 15 or 20.

There are two main planting seasons. The first is in March and April, the second in August and September. In some areas, if the rains are very favorable, a third planting of some crops may be successful.

Table 2.--Production of major crops in Cameroon, 1960-62 average, 1965-67 annual

Item	: 1960-62 : average	: 1965	: 1966	: 1967 : prelim.
	: - - - - - 1,000 metric tons - - - - -			
Cassava*	783	815	825	847
Other root crops*	860	890	900	924
Bananas & plantains*	676	705	715	735
Sorghum and millet *	333	380	385	388
Corn	203	270	275	280
Peanuts (in shell)	84	130	130	150*
Cocoa	74	78	86	90
Coffee	48	72	60	66*
Cottonseed	24	42	42	42
Rice (paddy)	11	11	12	13

*ERS estimates.

Throughout most of Cameroon, when crops are first harvested there is a sufficient supply of food, but later food becomes scarce.

In West Cameroon, the export sector of the economy is dominated by plantations, most of which are owned and managed by CAMDEV. These plantations produce primarily oil palm products, rubber, tea, and pepper. CAMDEV controls almost 10 percent of all cultivated land in the West and provides a third of the exports from that state. Cooperatives in West Cameroon deal with livestock and crops that are not produced by CAMDEV. The Ministry of Cooperatives and Community Development exerts a limited amount of control over the cooperatives. The cooperatives have been functioning, principally, as intermediaries in the marketing process. Their activity in foreign trade and extension work has been minor.

In East Cameroon, agricultural production is mainly by independent farmers. Most of the cocoa is produced in this region on small farms. Most of the coffee in the East is also produced on farms of 1 or 2 hectares (2½ to 5 acres). Some coffee is grown on plantations in the West. Cotton and peanuts are grown in rotation in the northeast. Rubber is grown on plantations in both the East and West. Bananas are grown throughout the country, on both plantations and small farms. Although the production of bananas for export has decreased, the production of plantains (cooking bananas) for domestic consumption has increased.

Cameroon's major export crops are cocoa, coffee, bananas, rubber, peanuts, cotton, and oil palm products. The Government provides technical assistance and extension service to the producers of most of these crops. This assistance is carried out through either private or Government monopoly organizations which handle most buying and selling of export crops.

Until 1964, cocoa was the primary export crop. Cameroon is a member of the Cocoa Growers Alliance and usually ranks as the fifth largest exporter on the world market. Cocoa yields per tree are generally low in Cameroon, but the Government

is presently promoting the planting of higher yielding trees. It is also helping to combat diseases which affect cocoa trees, primarily by spraying and cutting down infected trees. Cocoa production during the past several years has increased moderately, but advances in quality have been more rapid. A larger amount of cocoa is being processed into cocoa butter and chocolate than in earlier years.

Since 1964, coffee has been the major export crop. Production of coffee has increased due to the success of the Government's program to aid producers, especially through fertilizer programs.

Cotton, the third most valuable export crop, represents one of Cameroon's most spectacular success stories. Production was begun in the early 1950's, primarily in the north. Most of the cotton production is controlled by the Compagnie Francaise Pour le Developpement des Fibres Textiles (French Company for the Development of Textile Fibers), a private nonprofit organization which promotes the growing of cotton on small farms. The second 5-year plan calls for seed cotton production to reach 75,000 metric tons by 1970-71.

FOOD CONSUMPTION

Although Cameroon produces many food crops in large quantities, it is still necessary to import some food. Among the largest food imports are wheat, wheat flour, and fish. At present, the Cameroon Government is encouraging production of sugar and rice, commodities that have been imported to meet domestic demand. Most of Cameroon's indigenous food crops are low in protein, though adequate in calories. Per capita daily consumption averages about 2,500 calories.

AGRICULTURAL TRADE

In most recent years, agricultural exports have increased, although they declined in value in 1965, contributing to the deficit that year. This decline was due primarily to the low price of cocoa on the world market, the price falling to its lowest level in 20 years. In 1966, cocoa prices increased somewhat, and were still recovering in 1967. Of the major export

Table 3.--U.S. trade with Cameroon, 1964-66

U.S. imports				U.S. exports			
Commodity	1964	1965	1966	Commodity	1964	1965	1966
: - - 1,000 dollars - -				: - - 1,000 dollars - -			
Cocoa products	1,341	1,356	5,019	Poultry, live	0	1	2
Coffee, raw	7,101	4,726	13,681	Meat & prep.	0	1	6
Rubber, crude	201	630	221	Dairy products	2	2	7
Tobacco, unmf.	254	631	484	Grains & prep.	452	717	516
Tea	0	29	29	(Rice)	(276)	(583)	(478)
				Tobacco, unmf.	366	391	500
				Fruits & vegetables	0	0	3
Other agr.	1	5	1	Other agr.	5	1	1
Total agr.	8,898	7,377	19,435	Total agr.	825	1,113	1,035
Nonagricultural	1,721	5,932	8,265	Nonagricultural	4,942	6,079	5,085
Total imports	10,619	13,309	27,700	Total exports	5,767	7,192	6,120

crops, only banana exports have decreased in recent years. This decrease is due to the removal of a preferential market in the United Kingdom for bananas from West Cameroon. In 1966, agricultural exports were approximately 75 percent of Cameroon's total exports of \$146 million, coffee and cocoa accounting for about two-thirds of the agricultural exports. East Cameroon supplies about 85 percent of total exports.

Agricultural imports as a percentage of total imports have declined slightly in recent years. They are now approximately 12 percent of the total. This decrease is due to Cameroonian attempts to become more self-sufficient in food production. Beer and wine are the most valuable agricultural imports, followed by wheat and flour. Cameroon also imports rice, sugar, dairy products, fruits, and vegetables. Imports of foodstuffs and other consumer goods decreased in 1966. Imports of semifinished products, producer goods, and capital equipment increased in 1966. East Cameroon, the most economically advanced area of the country, purchases 90 percent of the total imports.

In 1966, France received about 40 percent of Cameroon's exports, a decrease of approximately 5 percent from the previous year, and furnished about 50 percent of its imports. The main exports to France are coffee, ginned cotton, and aluminum.

Trade with the EEC countries other than France has been increasing in recent years. These countries received 25 percent of Cameroon's exports in 1964 and 32 percent in 1965. Exports to the EEC countries other than France consist mostly of cocoa, timber, and rubber. Imports from these countries increased from 14 percent of the total imports in 1964 to 16 percent in 1965.

In most years, the United States is the next largest trading partner after France and the other EEC countries, but the percentage of trade is very small. In 1966, total U.S. imports from Cameroon increased to \$28 million from \$13 million in 1965, and agricultural imports from \$7 million to \$19 million. Coffee, valued at \$13.7 million, was the largest import in 1966, followed by cocoa, valued at \$5.0 million. Both total exports and agricultural exports from the United States to Cameroon decreased in 1966.

OFFICIAL BUSINESS

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Agricultural exports decreased slightly to \$1.0 million from \$1.1 million in 1965 (table 3).

AGRICULTURAL POLICY

The overall objectives of Cameroon's agricultural policy are to increase export earnings from agricultural products and to become more self-sufficient in food production. The Government hopes to achieve these objectives under its series of four 5-year plans. The second plan, now underway, places great stress on the development and diversification of agriculture. It outlines (a) the organization and development of 30 rural centers for training the farm population, (b) the establishment of farm cooperatives and farm credit programs, (c) the development of food processing projects in each agricultural region, and (d) the formation of several monopolistic development corporations.

Four main methods are being used to improve agricultural development: (1) improvements of yield through more use of capital and better use of land, (2) increases in area under cultivation, (3) specialization of production, and (4) diversification of crops.

Cameroonian farmers are paid guaranteed prices for a few primary commodities, mainly cocoa and coffee. Payments are provided through governmental agencies, the Stabilization Funds in East Cameroon, and the Marketing Board in West Cameroon. In 1966, uniform producer prices were established for cocoa and coffee.

The Government also provides financial assistance in fighting some crop diseases, particularly those affecting cocoa. Payments are provided for the purchase of fertilizer, for pest and disease control, and for the purchase of improved seeds. The Government's efforts to diversify agriculture by developing palm oil and other palm products, rubber, rice, tea, and timber are producing good results. At the same time, the Government is encouraging the improvement of the quality of crops.

Marketing of agricultural products is still different in the two states. In the West, the Marketing Board does its own buying and selling--mainly of cocoa, coffee, and palm products. The Stabilization Funds in the East market cocoa, coffee, peanuts, and cotton. Other products are marketed throughout the country either by large-scale private traders, producers' cooperatives, or private farmers.