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United States Department of Agriculture  
93<sup>rd</sup> Annual Agricultural Outlook Forum  
“A New Horizon: The Future of Agriculture”

February 23-24, 2017  
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# The Progress of West African Cotton Production and Trade

**Presented by**

**H.E Tièna COULIBALY,**

**Ambassador of Mali to the USA**

# Summary

**I. Introduction**

**II. Evolution of West African Cotton Production**

**III. Trade of West African Cotton**

**IV. Cotton sector reforms and their impacts**

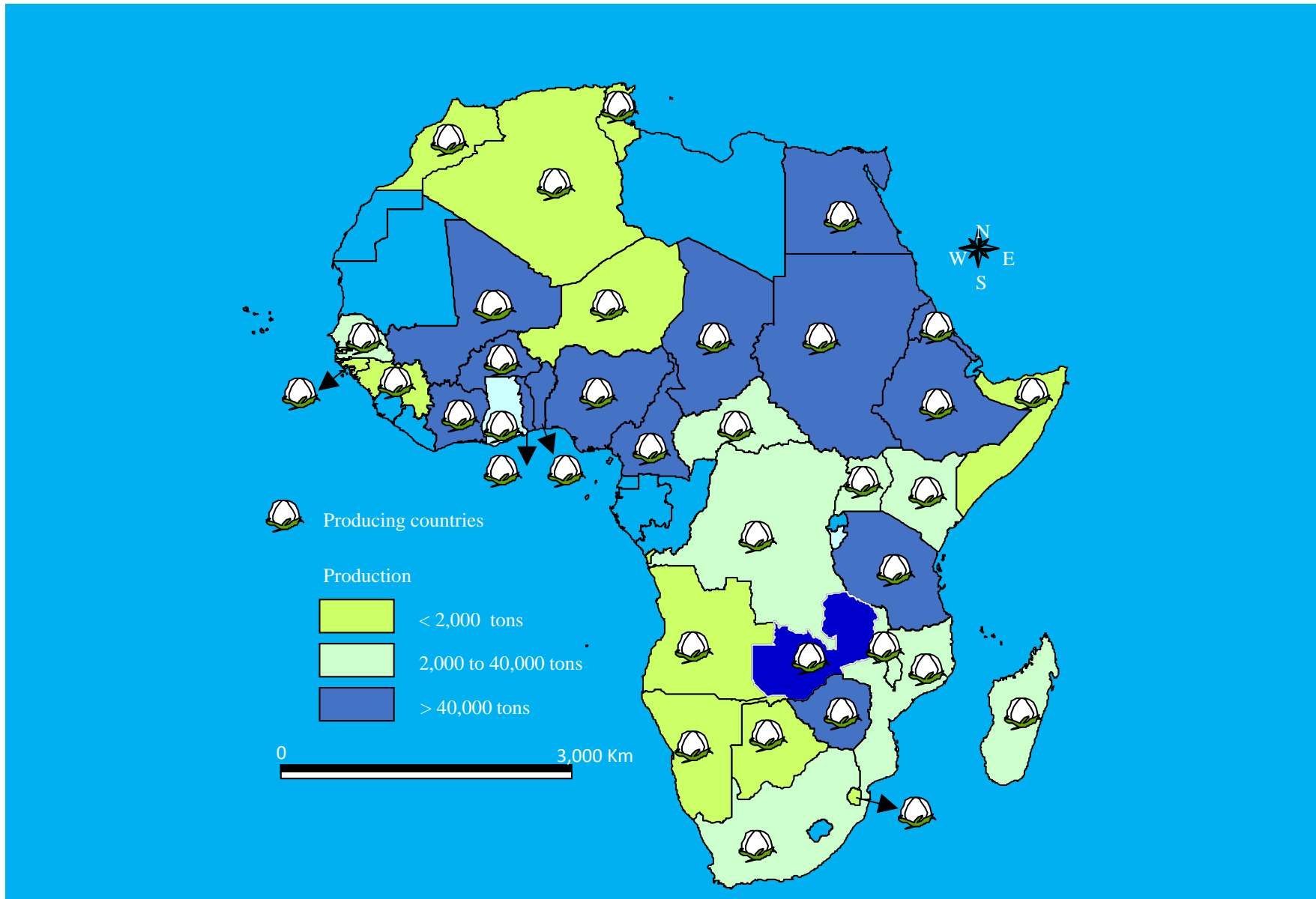
**V. Challenges**

**VI. Prospects**

# I INTRODUCTION

- French-speaking countries;
- Introduced by the french colonizer (CFDT);
- Creation of national companies after the independences with CFDT remaining stockholder and/or main technical partner;
- Cotton still is an important cash crop for: Benin, Burkina Faso, Chad, Côte d'Ivoire, Mali, Senegal and Togo.

# A map of Africa with African cotton producing countries



## INTRODUCTION (cont'd)

### **Cotton is very important for the economy of those countries:**

- Cultivation practiced by nearly three (3) million households;
- Creates growth, incomes and jobs in many sectors of the economy,
- Provides raw material (seeds) for edible oil industry and for animal feed industry;
- Participates to the development of rural areas;
- Contributes to food self-sufficiency;
- Provides 30% of total export earnings for Mali and Chad and more than 50% for Burkina Faso and Benin.
- Overall Cotton provides a living for more than 15 million people in sub-Saharan Africa and hence contributes effectively to the reduction of poverty.

## II. EVOLUTION OF WEST AFRICAN COTTON PRODUCTION

- West African cotton production is essentially rainfed and harvested by hand;
- It also is GMO-free (exception: GMO crops in Burkina Faso from 2008 to 2016);
- African cotton sector is characterized by a sinusoidal evolution of the production due to climate hazards, unpredictable world cotton prices, unstable yields, etc. ;
- The increase in the production of cotton in Africa is more attributed to the increase in area than to yields.



## EVOLUTION OF WEST AFRICAN COTTON PRODUCTION (cont'd)

- Indeed, ICAC statistics show of the CFA zone from 1980/81 campaign to 2016/17:
  - ✓ Production has increased from a minimum of 210,000 metric tons to a maximum of 1.136 million metric tons, an increase of 441%;
  - ✓ Area in cotton has increased from a minimum 597,000 ha to a maximum 2.848 million ha, an increase of 377%;
  - ✓ The yield has increased from a minimum 302 kg/ha to a maximum of 465 kg/ha, an increase of 54%.

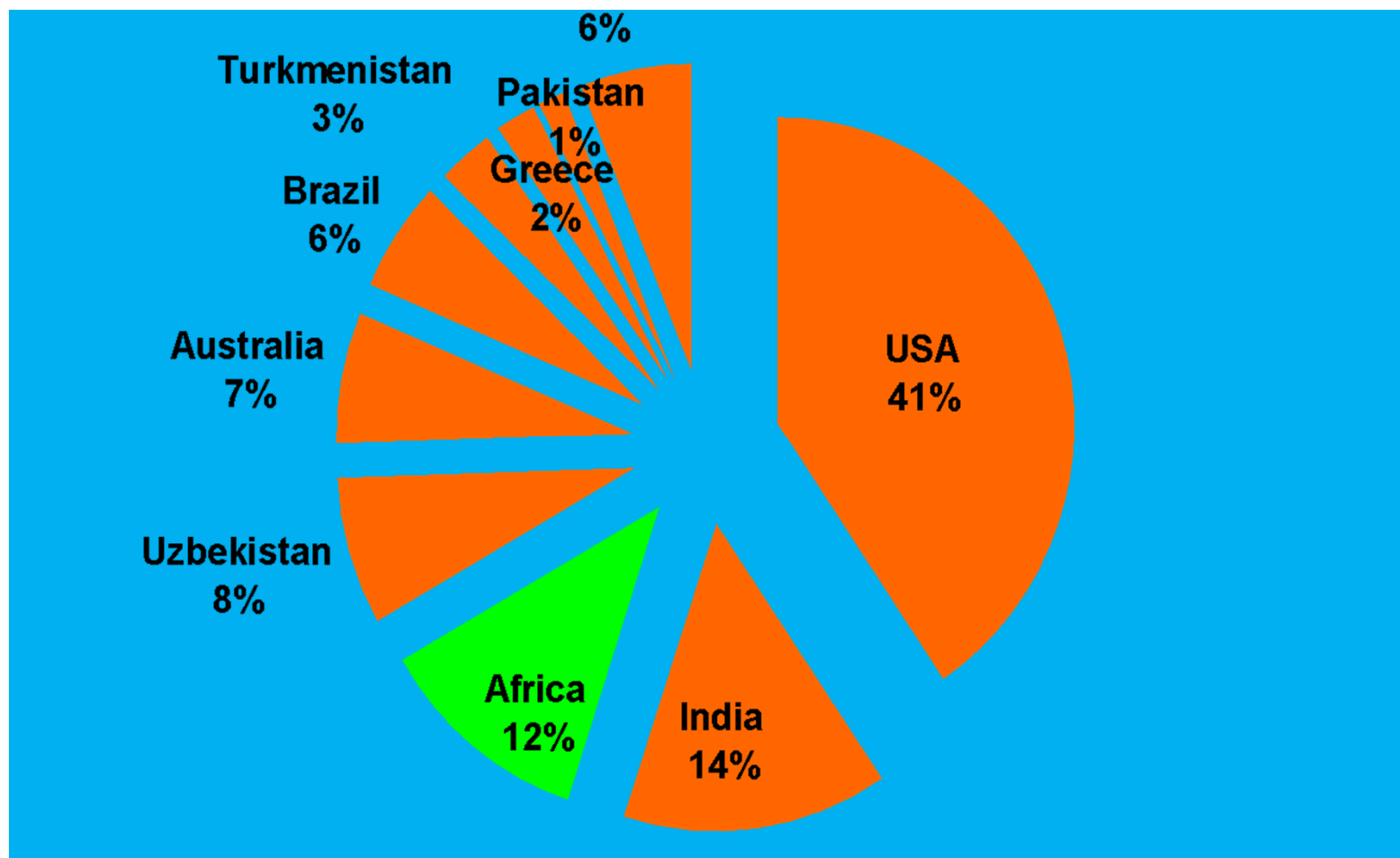
### **Management of the production in Mali:**

- The National Cotton Company, CMDT, provides for producers: extension services, training, inputs and equipments. CMDT also sets the purchase price of raw cotton;
- Producers sell their entire production to CMDT;
- Cotton production in Mali is affected by the quality of fertilizers, world market volatility, falling trend of yields and climate uncertainty.

### III. TRADE OF WEST AFRICAN COTTON

- Cotton is, in value, the third export product in West Africa after cocoa and coffee.
- It is an important source of export earnings for several West African countries.
- Franc zone West Africa is the world's third largest exporter, with an estimate of over 1 million tons over the period 2016/17, representing approximately 12% of total world exports, behind the United States (41%) and India (14%).
- West African production is mostly exported to Asia (90% including 60% to China) and Europe (8%).
- Only 2% of the total production is locally processed.

# Share in the World exportations



## TRADE OF WEST AFRICAN COTTON (Cont'd)

West African cotton exportation is mainly affected by:

- uncertainty due to market volatility ;
- subsidies provided by developed countries to their producers.

## IV. COTTON SECTOR REFORMS AND THEIR IMPACTS

These reforms addressed three main constraints:

- **Governance:**
  - ✓ Privatization (Côte d'Ivoire, Burkina Faso, Benin, Senegal) or status change (Mali);
  - ✓ Producers' involvement in management;
  
- **Price setting mechanism:**
  - ✓ Shift to attractive price mechanism for producers;
  
- **Currency Exchange rate:**
  - ✓ CFA Currency devaluation (1994).

## V. CHALLENGES

### **There are many challenges:**

- Political challenge: economic policy, management, subsidies;
- Agronomic challenge: falling trend of yields, agronomic research;
- Environmental challenge: use of pesticides;
- Industrial and technical challenge: need to increase the local processing capacity;
- Commercial challenge: increase the quality of fiber by avoiding contamination.

## VI. PROSPECTS

Cotton production in West Africa has gone through many crises in the last two centuries mostly because of the support of public policies. This trend will likely continue providing the following conditions are met.

**- Improve competitiveness of the sector:**

- ✓ Reduce production cost;
- ✓ Improve quality;

**- Ensure sustainability of the cotton sector:**

- ✓ Promote climate friendly practices;
- ✓ Enhance actors' adaptability to change;

**- Promote regional integration:**

- ✓ ACA,
- ✓ APROCA,
- ✓ C4



**Thank you for your attention!**