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**Report Highlights:**

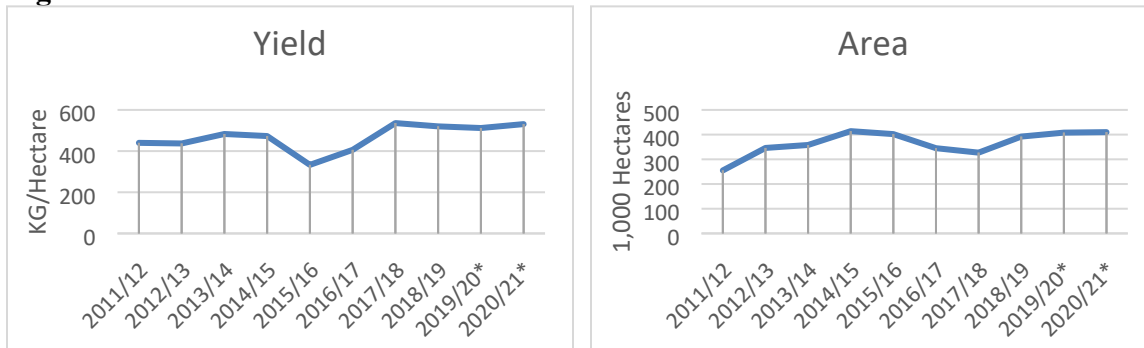
Post forecasts market year (MY) 2020/21 cotton fiber production at a record for a third consecutive year, at 1.0 million bales (480 lb.). The MY 2019/20 production estimate is lowered to 990,000 bales, albeit still a record, as current deliveries of seed cotton to ginning facilities come in just below early projections. Post's MY 2020/21 export projection is just under 1.1 million bales, in anticipation of delays and spillover of MY 2019/20 exports due to COVID19-related challenges faced by downstream customers. Annual consumption remains low at 30,000 bales.

### Production:

Post projects MY 2020/21 cotton fiber production at a record 1.0 million bales (480 lb.), assuming normal conditions and based on continued national support for the sector’s growth. Despite the expectation of a temporary decline in global demand due to the impact of the COVID-19 pandemic, the Government of Côte d’Ivoire’s (GOCI) continuation of support-pricing and an overall push towards greater agricultural productivity creates expectations for maintaining if not building upon recent productivity growth in the sector.

For MY 2019/20, Post estimates cotton fiber production at 990,000 bales. Based on official seed cotton production and fiber yield statistics to date, this national fiber production estimate would also surpass the current record for production set just one year ago, and would place Côte d’Ivoire as the third-largest producer in Sub-Saharan Africa. During the current campaign, the national crop increased an estimated 12 percent from the prior year based on expanding area, with a surge in additional producers either entering or returning to the sector. Yield declined only slightly in the same period. The total number of producers, estimated at 117,766, is a significant jump from the previous campaign (see Table 1). With that comes area increases, but overall indicates that the average farmer’s holding is just over 2 hectares. Earlier projections anticipated a seed cotton harvest exceeding 500,000 MT and even approaching 550,000 MT at points. However, most recent official statistics report an expected 495,057 metric tons (MT) of seed cotton production in 2019/20. With mills reporting a fiber yield of 43.58 percent translating to 216,000 MT of fiber cotton, or approximately 990,000 bales.

**Figure 1: National Area and Yield Trends**



Source: USDA Production, Supply & Distribution (PS&D)

\*Indicates Post estimates and projections, not USDA official

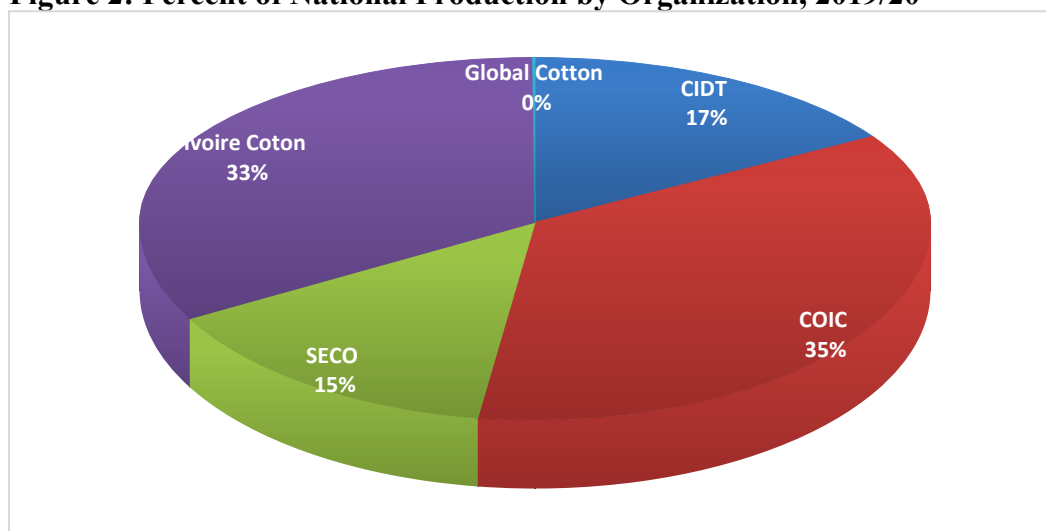
A small group of organizations control the country’s cotton production, purchasing, transformation, and export. These include *Compagnie Ivoirienne pour le Developpement du Textile* (CIDT), *Ivoire Coton*, *Compagnie Ivoirienne de Coton* (COIC), *Societe d’Exploitation Cotonniere* (SECO-OLAM), *Societe Industrielle Cotonniere des Savanes* (SICOSA), and Global Cotton. Current estimates show COIC and Ivoire Coton controlling the largest share of national production at approximately 68 percent (see Figure 2 below). COIC experienced the largest increase in production since the last campaign, owed largely to its assumption of SICOSA’s production area. In May 2019, the *Conseil Coton Anacarde* (CCA), the national authority for the cotton and cashew sectors, removed SICOSA from the country’s zoning scheme due to failure to meet yield targets and reportedly insufficient provision of inputs to its producers.

**Table 1: Approximate Number of Cotton Producers, Year-to-Year Comparison**

Organization	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
CIDT	<i>Info not available prior to 2016/17</i>		11,059	14,553	16,278	22,474
Ivoire Coton			34,620	30,040	37,925	44,642
COIC			30,145	20,284	24,697	32,456
SECO-OLAM			16,806	16,841	17,901	17,691
SICOSA <sup>1</sup>			3,476	5,335	5,716	--
Global Cotton			0	1,354	819	503
<b>TOTAL</b>	<b>121,270</b>	<b>113,532</b>	<b>96,106</b>	<b>88,407</b>	<b>103,336</b>	<b>117,766</b>

Source: InterCoton

**Figure 2: Percent of National Production by Organization, 2019/20**



Source: Interprofession du Coton (InterCoton)

As national production builds upon what was considered a large harvest in MY2018/19, quality-wise there appear to be no major concerns, even if overall reporting of “first choice” cotton has declined marginally. According to industry sources, currently 88 percent of deliveries to ginning facilities are rated as first choice; slightly below last year’s percentage of first choice deliveries but by no means alarming, particularly given the continued increase in overall production. Several ginning facilities closest to the northern border with Burkina Faso report deliveries of first choice cotton around 75 percent, with most other facilities in the country reporting 90-95 percent or above.

**Value Added Cotton:**

The local textile industry, as in much of West Africa, struggles to compete with much larger industrial sectors in Asia. There are only a small number of spinning and weaving operations in-country with the ability to produce fabric, yarn, denim, and upholstery fabric. Facilities in both Abidjan and Bouake can produce finished wax “pagne”, or decorated fabric used in local fashion, run by Uniwax and Seritex, respectively.

<sup>1</sup> In May 2019, the national authority removed SICOSA from the country’s zoning scheme due to poor provision of inputs to producers and low yields. COIC assumed control of producers/zones previously held by SICOSA.

The small quantity of value-added cotton products exported from the country fall under HS code 5208, *woven fabrics of cotton*. In calendar year 2019, Côte d'Ivoire reported exports of \$25.3 million in woven fabrics, down from a high of \$34.2 million in 2014. Of the reported exports of fabric in calendar year 2019, over 90 percent went to regional neighbors, with Benin, Burkina Faso, Guinea, Niger, and Senegal the top five destinations. In turn, Côte d'Ivoire reported imports of woven fabric in 2019 at \$35.4 million, with China (\$17.2 million), Benin (\$8.5 million), and the European Union (\$7.2 million), India (\$1.3 million), and Ghana (\$0.9 million) the top five suppliers.

### Domestic Consumption:

Any indication of sustained increases in local use have not materialized according to available data from ginning facilities on delivery of bales to ports vs. local industry, and thus Post revises its local use estimate downward to 30,000 bales. To date, all fiber cotton produced during the 2019/20 campaign has been delivered to the Abidjan Port for export.

The five previously mentioned companies operate fifteen functional cotton gins with an approximate installed capacity of 635,000 MT/year. The majority of the gins are located in the Savanes District, which encompasses the northern cities of Boundiali, Korhogo, and Ferkessédougou. The remaining facilities are located in Woroba (Northwest) and Vallée du Bandama (Central).

**Table 2: List of Domestic Ginning Facilities**

Company	Facility	District	Approx. Capacity (tons/year)
CIDT	Bouaké	Vallée du Bandama	130,000
	Mankono	Woroba	
	Séguéla	Woroba	
COIC	Korhogo (4)	Savanes	155,000
	Lataha	Savanes	50,000
Global Cotton	Gonfreville	Vallée du Bandama	25,000
Ivoire Coton	Boundiali (2)	Savanes	205,000
	Dianra	Woroba	
	M'Bengue	Savanes	
SECO	Ferkessédougou	Savanes	70,000
	Ouangolodougou	Savanes	

Source: InterCoton

There were no known major upgrades to existing facilities or openings of new facilities during the current campaign, although the reported suspension of SICOSA brought that company's single facility in Lataha under the control of COIC.

### Marketing:

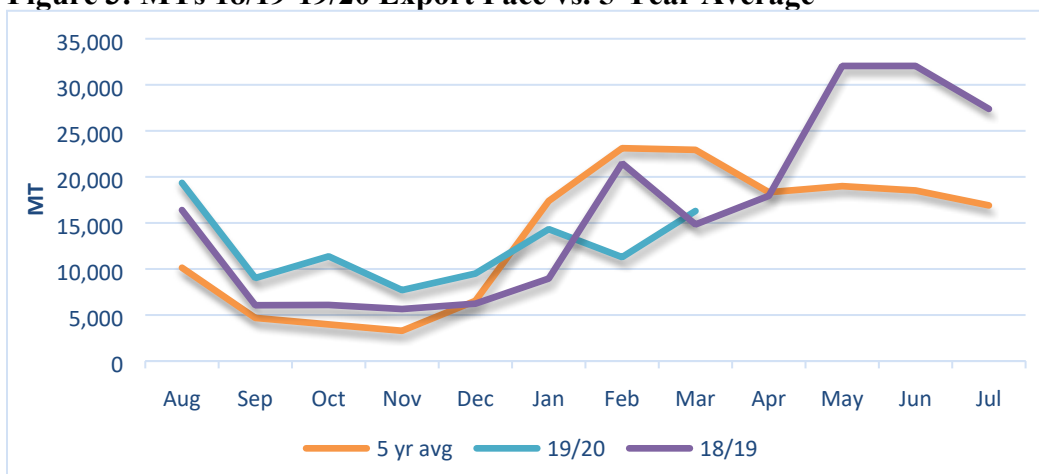
Domestic production is classified into various marketing sales types by a national laboratory based in Bouaké, the *Centre de Classement de Coton en Côte d'Ivoire* (3C-CI). All domestic mills funnel samples to 3C-CI for classification and quality grading. Côte d'Ivoire produces primarily medium-staple upland cotton, and about 5-6 different marketing types with distinct traits and desirability on the market. The most common varieties are Manbo, Bema, and Miko, with first choice Miko and Manbo considered as superior classes. Other lower quality varieties include Bilo, Core, and Buka.

## Trade:

Post projects MY 2020/21 fiber exports at 1.1 million bales. Continued productivity gains and no immediate expansion in local use will see 95 percent or more of the national crop exported. In recent years, Côte d'Ivoire's exports have surged later in the market year than normal. This trend could be reinforced further in the current campaign. Potential trade disruptions in MY 2019/20 due to COVID-19 with major slowdowns in textile and clothing sectors could further delay the peak of exports which traditionally would begin to surge in February, thus pushing some of this year's exports into the 2020/21 campaign.

Post estimates MY 2019/20 fiber exports at 900,000 bales. Even in light of potential risks to global supply chains in the midst of the COVID-19 outbreak, strong early season exports carried over from the 2018/19 crop put it ahead of its average pace. Therefore, this estimate reflects only moderate disruption to total fiber exports overall given the strong pace of shipments early in the market year and an anticipated late season recovery. Nevertheless, exports have been sluggish through the first three months of the calendar year (Figure 3 below). If downstream manufacturing sectors in Asian importing countries continue to grapple with COVID-19 outbreaks and consequent shutdown in activities, exports could suffer further.

**Figure 3: MYs 18/19-19/20 Export Pace vs. 5-Year Average**



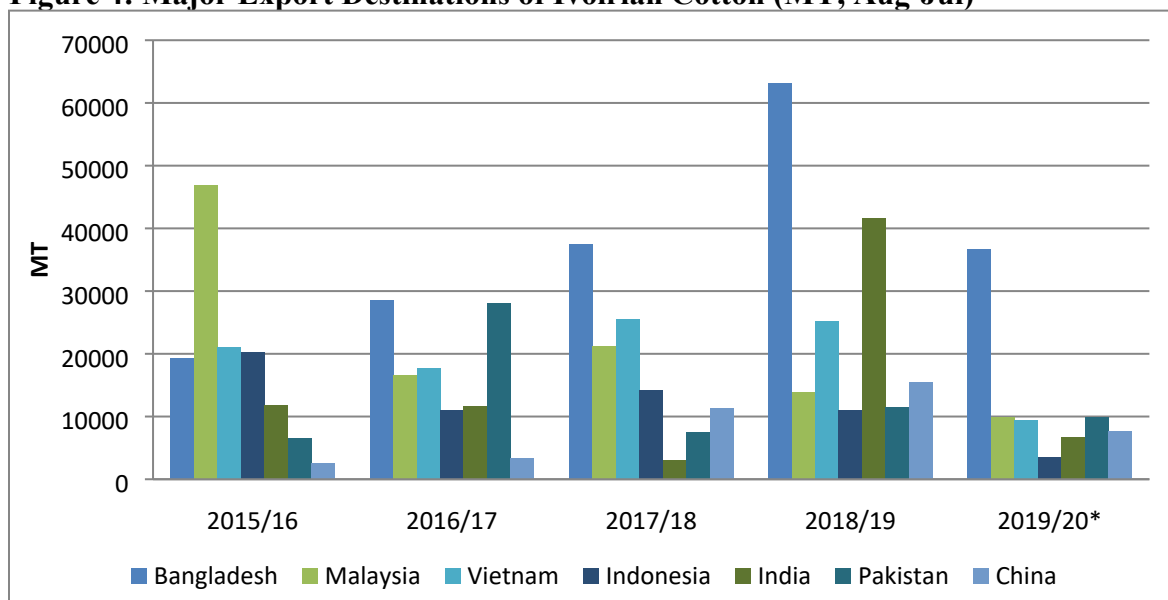
Data Source: TDM

Post expects fiber exports to continue moving out to the extent possible, and the pace of last year's exports (MY18/19) demonstrate that Côte d'Ivoire can clear at least 150,000 bales per month (30,000-35,000 MT) from the Port of Abidjan. As of March 20, ginning facilities reported an estimated total of just under 250,000 bales delivered for export during the current campaign. This is lower than the approximately 450,000 bales exported through March according to exporter date, but accounting for this difference are the exports of abundant 2018/19 crop cotton that continued early in the current market year.

Bangladesh remains the principal destination for Ivorian exports, followed by other major Asian textile producers. While small in scale, there are noticeable upticks in exports to other markets including Bahrain, Singapore, and Sri Lanka in the current market year. A potential point of exposure for Côte d'Ivoire's exports over the remainder of the year is its current reliance on customers in Bangladesh,

India, and Pakistan (Figure 4 below). These three countries accounted for nearly 60 percent of the country’s fiber cotton exports in 2018/19, and appear to be at the front end of public health crises related to COVID-19. If textile sectors in those countries are shuttered for extended periods of time, the current year export estimate will be revisited, dependent on uptake from alternative destinations.

**Figure 4: Major Export Destinations of Ivoirian Cotton (MY, Aug-Jul)**



Data Source: Trade Data Monitor (TDM)

\*YTD Exports (Aug-Mar)

Another potential concern in the coming year, though not currently impacting any projections or estimates at this time, is Côte d’Ivoire’s port capacity vis-à-vis its other major agricultural exports. Côte d’Ivoire is also the world’s largest producer/exporter of cocoa beans and world’s largest exporter of raw cashew nut. Coffee and rubber exports are also not insignificant. Cocoa bean exports do not peak until later in the calendar year and cashew exports typically surge around March-June, so Post does not foresee trade disruptions at this time due to excessive overlap of commodity exports running up against port capacity limitations.

The Port of Abidjan, one of the largest and busiest in the region, is the primary route for exported cotton. Presently, exporters prefer Abidjan given the port’s central role in the importation of rice, fertilizer and many other goods for the region. Côte d’Ivoire is also strategically placed to handle a large volume of cotton exports from the Sahel. However, the primary land route (especially between Korhogo and Bouaké) has deteriorated significantly in recent years. The country’s second port, San Pedro, is positioned to handle a larger share of cotton from Mali as the land corridor receives increased investment. However, exact quantities of transshipped cotton are currently unclear. San Pedro had not exported any domestic cotton as of March 20.

**Stocks:**

As Côte d'Ivoire's cotton is almost exclusively exported, the country does not hold extensive stocks. Producers sell the crop immediately, and the harvest immediately enters processing and export channels. Given steadily rising production and potential delays in trade, Post estimates a temporary rise in ending stock levels in MY 2019/20 to approximately 327,000 bales, but projects decreased ending stock levels in 2020/21 of just under 200,000 bales. Côte d'Ivoire has neither the local industry capacity nor expansive warehousing to absorb or hold major quantities of cotton for any extended period of time. However, in recent years, exports have been slower to peak, often carrying over into the next campaign.

**Prices:**

GOCI, through the CCA, leads market surveys each year in advance of the May/June planting season to establish farm gate prices for harvested cotton. For the 2019/20 campaign, the price is set at 300 CFA franc (\$0.50) per kilo. This represents a 13 percent increase from the support price of 265 CFA in the 2018/19 campaign. This price exceeds that of other major regional producers Mali and Burkina Faso, set at 275 and 265 CFA respectively. Senegal also has a current price of 300 CFA, though is a much smaller producer.

**Policy:**

Until the early 2000s, the Ivoirian cotton sector was controlled by the then-public CIDT. The sector subsequently underwent significant reorganization and privatization. In addition to cashews, cotton has been identified as one of the leading sectors in terms of importance for the country's northern and central economies. In addition to privatizing the cotton sector, GOCI reforms have also focused upon the zoning and timing of production. While CIDT is still in operation, GOCI further privatized the company in 2017. Reported upswings in production have followed the company's privatization.

The CCA acts as the industry's regulatory body for issues such as pricing. Intercoton is the sector's interprofessional organization that coordinates activities between all actors, and is also involved with pricing, as well as classification, tracking, and research. GOCI has indicated it wishes to use 25-50 percent of its cotton domestically by 2025, but the process towards achieving that goal is unclear.

**Production, Supply and Distribution Table:**

<b>Cotton</b>	<b>2018/19</b>		<b>2019/20</b>		<b>2020/21</b>	
<b>MY Begin Year</b>	<b>Aug 2018</b>		<b>Aug 2019</b>		<b>Aug 2020</b>	
<b>Cote d'Ivoire</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Area Harvested</b>	392	392	425	408	0	410
<b>Beginning Stocks</b>	275	275	292	267	0	327
<b>Production</b>	937	937	1000	990	0	1000
<b>Imports</b>	0	0	0	0	0	0
<b>MY Imports from U.S.</b>	0	0	0	0	0	0
<b>Total Supply</b>	1212	1212	1292	1257	0	1327
<b>Exports</b>	895	895	1000	900	0	1100
<b>Use</b>	25	50	25	30	0	30
<b>Loss</b>	0	0	0	0	0	0
<b>Total Dom. Cons.</b>	25	50	25	30	0	30
<b>Ending Stocks</b>	292	267	267	327	0	197
<b>Total Distribution</b>	1212	1212	1292	1257	0	1327
<b>Stock to Use %</b>	31.74	28.25	26.05	35.16	0.00	17.43
<b>Yield</b>	520	520	512	528	0	531
(1000 HA) ,(1000 MT) ,(MT/HA)						

**Attachments:**

No Attachments