

**Required Report:** Required - Public Distribution

**Date:** May 09, 2023

**Report Number:** IV2023-0003

**Report Name:** Cotton and Products Annual

**Country:** Cote d'Ivoire

**Post:** Accra

**Report Category:** Cotton and Products

**Prepared By:** Isaac Yao

**Approved By:** Robert Tuebner

**Report Highlights:**

Post forecasts MY 2023/24 cotton fiber production at 700,000 bales (480 lb.) The MY 2022/23 estimate for exports has dropped to 650,000 bales. Assuming that the entire amount produced is exported, export projection for MY 2023/24 will be 700,000 bales. Additionally, annual consumption is expected to decrease by 10,000 bales.

**Production:**

Cotton fiber production for MY 2023/24 is projected at 700,000 bales (480lb), a 55 percent increase to the MY 2022/23 production estimate of 450,000 bales (480lb). Post expects a small decrease in the area harvested for the upcoming year mostly due to cotton producers concerns over the impact of the Jassid (*Jacobiella facialis*) insect and unpredictable weather patterns impacting the planting area. However, Post expects an increase in yields due to good agricultural practices and water management.

Over the years, cotton farmers have begun to shift the planting period from the beginning of May to June due to climate variability. These changes have been driven by unpredictable weather patterns that have been observed. Cotton farmers have had to adapt to these changes in order to ensure a successful crop. Delaying planting until June reduces the risk of crop failure. This shift in planting highlights the challenges that farmers face in dealing with the impacts of climate change on their livelihoods. The harvesting period for cotton typically occurs between November and February. During this time cotton farmers are busy harvesting their crops, which are then processed and sold to the textile industry.

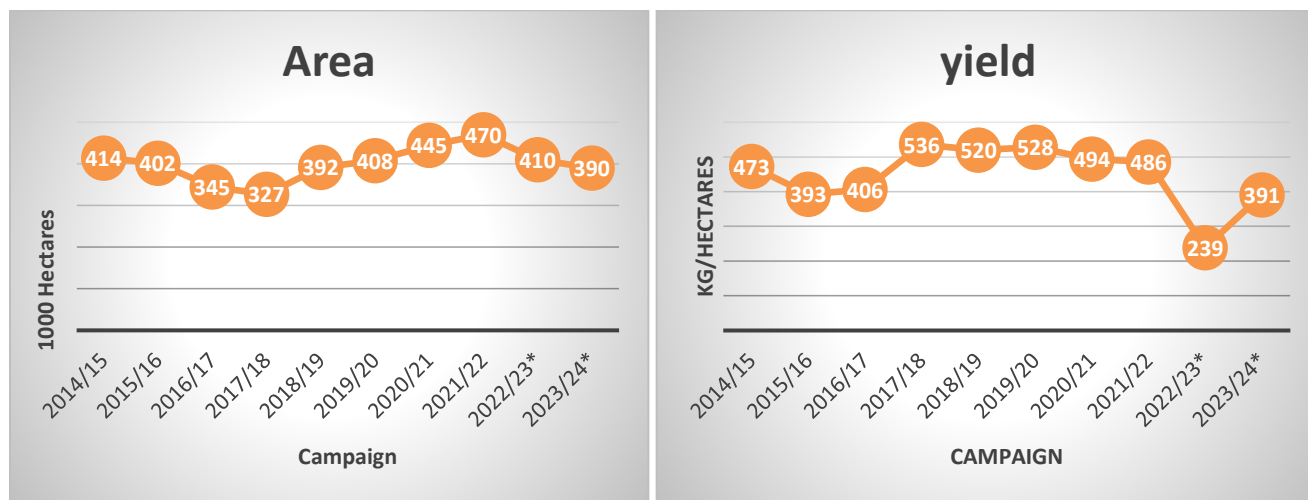
In MY 2022/23, Post estimates cotton fiber production at just 450,000 bales (480lb). This represents a decrease of over 60 percent year over year for cotton fiber production. This decrease is mainly due to the Jassid insect which has hit the sector hard. The Jassid is a species of leafhopper that attacks cotton plants by sucking plant sap from its leaves. This pest has had a significant impact on the cotton sector in Cote d'Ivoire. The damage caused by the Jassid has considerably reduced cotton yields from 1,200 kg/ha to 712 kg/ha and is responsible for cotton seed production to decline by 40 percent. Additional reasons for decreased production are due to changes in weather, especially in the northern region of the country.

Official data shows an 18 percent decrease in the number of cotton producers from 131,515 to 106,667 (see Table 1 below). While few farmers in the country are hesitant to plant cotton for the upcoming growing season, Jassids will continue to cause significant damage to their crops. Posts expects the number of farmers to decrease 7 percent compared to MY 22/23. Although jassids remains a considerable threat, most producers are willing to continue growing cotton. The reason why cotton farmers are willing to continue farming cotton is because they benefit from fertilizers and pesticides provided to them from ginning companies. At the end of the growing season, the cost of the fertilizer and pesticides are deducted from the amount of money they earn when they sell their cotton. This arrangement also provides the opportunity for farmers to receive fertilizer not only for cotton but also for associated crops, such as rice, corn and soybean. This mechanism has been in place for many years and is appreciated among farmers because they can diversify their revenue streams. Although cotton production has been reduced this season, cotton producers can continuously rely on this benefit to grow other products.

Posts expects a slight decrease in area harvested due to farmer decisions to plant food crops due to the jassid pest which led to lower yields and income. Despite the pest and disease challenges faced by the sector, this season has seen a 5 percent increase in yields of cotton fiber at the cotton ginning facilities. Additionally, this current season has seen an increase in the quantity of superior grade cotton lint, from 83 percent last year to 88 percent in MY 2022/23. Côte d'Ivoire is one of the largest cotton producers in Sub-Saharan Africa, third behind Mali and Benin. Figures suggest cotton producers, on average, farm on less than 5 hectares.

Currently, six organizations control the country’s cotton production, purchasing, transformation, and export. These include : Compagnie Ivoirienne pour le Développement du Textile (CIDT), Compagnie Ivoirienne de Coton (COIC), Ivoire Coton, Societe d’Exploitation Cotonniere (SECO-OLAM), Société Industrielle Cotonniere des Savanes (SICOSA), and Global Cotton. Ginning occurs between November and March, depending on raw material availability.

**Figure 1: Area and Yield Trends**



Source: USDA Production, Supply & Distribution (PS&D)  
 \*Indicates Post estimates and projections, not USDA official

Based on current estimates, COIC and Ivoire Coton, two major cotton producing companies, hold the dominant market share in Cote d'Ivoire, accounting for a combined 59 percent of the national production. In contrast, SICOSA, another player in the industry, was excluded from the country's zoning scheme by the Conseil Coton Anacarde (CCA) in 2019 due to its inability to meet yield targets and inadequate provision of inputs to its farmers. The sanction against SICOSA remains in effect for the upcoming planting season.

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

Organization	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
CIDT	14,553	16,278	22,474	30,588	32,469	23004
Ivoire Coton	30,040	37,925	44,642	49,372	45,543	34746
COIC	20,284	24,697	32,456	33,064	32,791	26897
SECO-OLAM	16,841	17,901	17,691	18,789	20,011	21293
SICOSA	5,335	5,716	--	--	--	--
Global Cotton	1,354	819	503	712	701	727
<b>TOTAL</b>	<b>88,407</b>	<b>103,336</b>	<b>117,766</b>	<b>132,525</b>	<b>131,515</b>	<b>106,667</b>

Source : Interprofession du Coton (InterCoton)

In terms of quality, official statistics indicate that “first choice” cotton increased from 80 percent last year to 88 percent this growing season. CIDT controls production zones mainly in the central belt of the country and reported that 86 percent of the cotton they received was rated “first choice”. This is a considerable jump in the overall quality of the fiber. The reason for the increased cotton quality can be justified by the fact that both producers and ginning companies have taken exceptional care of the product, despite a decrease in the overall quantity of cotton produced due to jassids, an emphasis on quality control has resulted in a superior cotton product.

While cotton quality for MY 2022/23 has been improved, the trend over the last five years shows that quality generally decreased. Climate change is one factor for the overall poor quality of the cotton harvested this year. Unreliable rainfall has impacted the growth of the cotton plants, while humidity and moisture levels have influenced the fiber's color and grade. Additionally, the introduction of new cotton varieties such as Sicama and Gouassou during the 2018/19 growing season has affected quality, as they have been observed to have shorter fibers than the previous variety (Y 331). These new varieties were disseminated by the country's National Center for Agronomic Research (CNRA), which supplies basic seeds to cotton companies for multiplication in farmers' fields. Although the CNRA is currently developing promising new varieties, such as CI-123 and CI-128, it may take several years to determine if they can address the quality issues faced by cotton producers, specifically with regard to fiber length and color.

#### **Value Added Cotton:**

Like other West African countries, the domestic textile industry in Cote d'Ivoire is relatively small and faces stiff competition from imported textiles and fabrics. There are a limited number of spinning and weaving facilities in-country that can produce various textiles such as yarn, fabric, denim, and upholstery. Some facilities located in Abidjan, Dimbokro, Agboville and Bouaké specialize in the production of finished wax "pagne" - a popular and colorful fabric used in local fashion. Despite its modest size, Cote d'Ivoire is considered a leading producer and exporter of authentic wax print fabric in the region.

The small quantity of value-added cotton products exported from the country fall under HS code 5208, *woven fabrics of cotton*. In calendar year 2022, Côte d'Ivoire reported exports of \$22.1 million in woven fabrics, down 11 percent from \$26.5 million in 2021. In 2021, the top five destinations for woven fabric were Niger (\$5.9 million), Guinea (\$4.1 million), Benin (\$3.4 million), Burkina Faso (\$3.3.), Togo (\$2.1 million). In turn, Côte d'Ivoire reported imports of woven fabric in 2022 totaling \$35 million, the same amount as from 2020, with China (\$12.6 million), Benin (\$9.4 million), Netherlands (\$8.6 million), Pakistan (\$3 million) and Belgium (\$0.6 million) being the top suppliers.

#### **Domestic Consumption:**

Cote d'Ivoire exports almost all its fiber production overseas for further processing. In MY 2023/24, Post projects domestic production of textiles and artisanal items will be stable at 10,000 bales due to higher prices for essential commodities, farm inputs, and from pests. The six previously mentioned companies operate over twenty functional cotton gins with an estimated installed capacity of 635,000 MT/year. Most of the gins are in the Savanes District, which encompasses the northern cities of Boundiali, Korhogo, and Ferkessédougou. The remaining facilities are in Woroba (Northwest) and Vallée du Bandama (Central). Korhogo possesses the highest concentration of ginning facilities with at least seven in operation.

**Table 2: List of domestic ginning facilities**

Company	Facility	District	Approx. Capacity (tons/year)
CIDT	Bouaké	Vallée du Bandama	130,000
	Mankono	Woroba	
	Séguela	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

### Marketing:

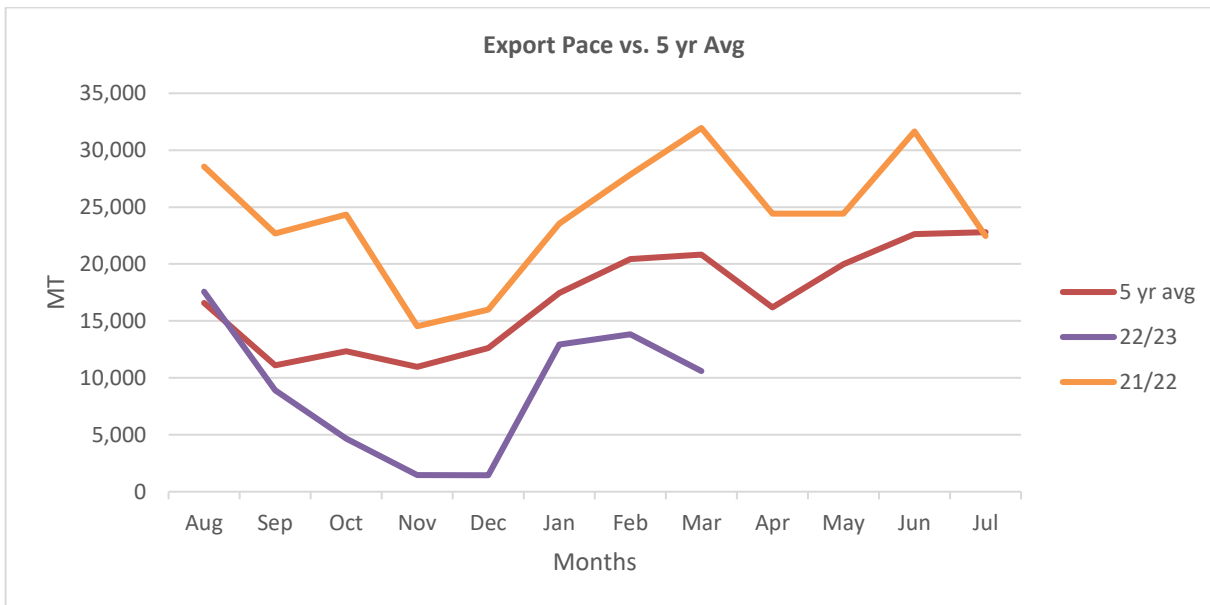
Domestic cotton is classified into various categories/varieties by a national laboratory based in Bouaké, the *Centre de Classement de Coton en Côte d'Ivoire* (3C-CI). All domestic mills funnel samples to 3C-CI for classification and quality grading. Côte d'Ivoire produces primarily medium-staple upland cotton, with about 5 to 6 different varieties that have distinct traits and desirability. The most common varieties are Mambo, Bema and Miko, with Miko and Mambo being the most sought after. 3C-CI is in the process of getting an accreditation standard. Currently 3C-CI is managed by Intercotton. Intercotton's goal is to make Ivorian cotton more competitive in the international market and increase their end price.

### Trade:

Post projects MY 2023/24 fiber exports at 700,000 bales assuming that the entire national crop will be exported along with some residual product stocked from the 2022/23 season.

Post revises MY 2022/23 fiber exports to 650,000 bales, due to a slight reduction in production. This estimate represents an 18 percent increase from the current USDA official figure. However, this represents a 41 percent decrease compared to MY 2021/22 due to the unexpected shortage of cotton from the Jassid pest.

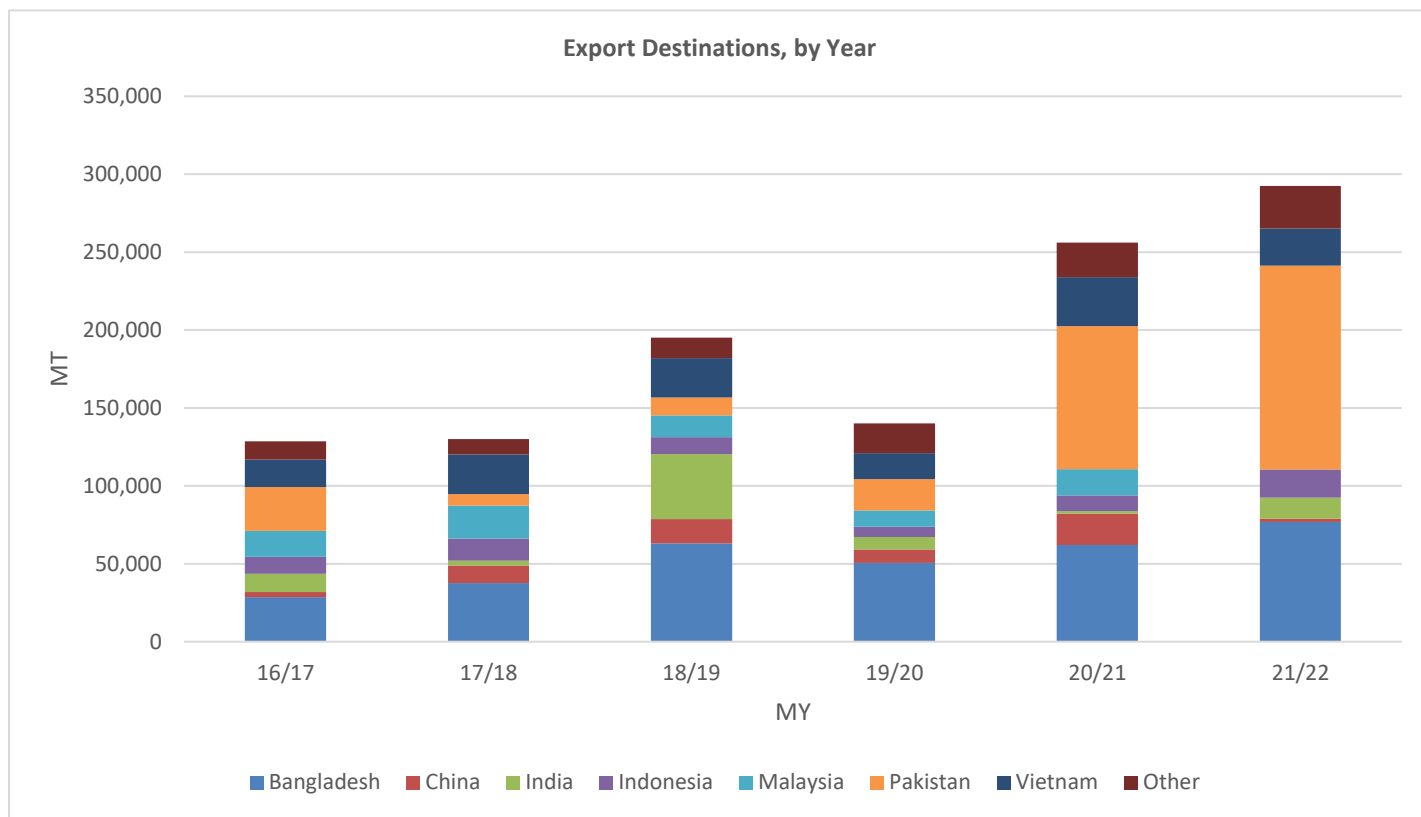
**Figure 2: MYs 21/22-22/23 Monthly Export Pace vs. 5-Year Average**



Data Source: TDM

Major export destinations are to Asian markets, primarily to Pakistan then followed by Bangladesh. During MY 2021/22, Pakistan imported over 600,000 bales of Ivoirian cotton followed by 355,000 bales imported by Bangladesh.

**Figure 3: Major Export Destinations of Ivoirian Cotton (MY, Aug-Jul)**



Data Source: Trade Data Monitor (TDM)

\*YTD Exports (Aug-Feb)

The primary route in the region for cotton exports is through the Port of Abidjan, which is among the largest ports in the area. Exporters prefer Abidjan due to the port's central role in importing various goods such as rice, fertilizer, and other commodities to the region. Côte d'Ivoire is also strategically positioned to handle a vast volume of cotton exports from the Sahel. Although San Pedro, the country's second port, is mainly associated with cocoa bean exports, it is also equipped to manage cotton exports from both Côte d'Ivoire and the region. However, the recent political crisis in Burkina Faso and Mali has led the West African Community to impose an embargo on several commodities exported from these two countries. Consequently, exports originating from the Port of San Pedro are still limited. Nonetheless, it is anticipated that this port will handle a considerable amount of Malian and Burkinabe cotton exports in the future.

**Stocks:**

Post projects MY 2022/23 ending stocks to be 163,000 bales. MY 2023/24 ending stocks are estimated at 153,000 bales. With limited domestic usage, the pace of trade will continue to dictate carry over stock levels in the country. Since Côte d'Ivoire's cotton is primarily exported, the country does not maintain significant stocks. Producers sell the crop immediately, and it enters processing and export channels without being stored. However, in recent years, exports have been slower to reach their peak, resulting in some carry-over into the next planting season.

**Prices:**

The Government of Cote d'Ivoire (GOCI), through le *Conseil du coton et de l'Anacarde* (CCA), leads market surveys every April or May of each year to establish farm gate prices for harvested cotton, which are generally announced in advance of the May/June planting season. For the 2022/23 campaign, the price for first choice cotton was set at 310 CFA franc (\$0.52) per kilo, and 285 CFA (\$0.48) for second choice cotton, which are unchanged from the previous planting season.

**Policy:**

Until the early 2000's, the Ivoirian cotton sector was controlled by the then-public CIDT. The sector subsequently underwent significant reorganization and privatization, with the CIDT itself eventually being privatized in 2016. In addition to privatizing the cotton sector, GOCI reforms have also focused on zoning and timing of production. One idea behind this approach is to incentivize those companies to make longer-term investments in their areas of influence and thus promote the sector's overall health and growth. This is seen best by the free fertilizer the ginning companies give to cotton producers to cultivate corn, rice or other subsistence crops. The goal of these actions is to sustain availability of food in the regions where they work and live. In addition to cashew, cotton has been identified as one of the leading sectors in terms of importance for the country's northern and central economies.

Since mid-February, GOCI has authorized \$56.7 million to support cotton producers during the 2022/2023 growing season. This financial support aims to help farmers, that have been affected by Jassids during the current growing season. In light of the economic impact caused by the decrease in cotton production, the GOCI, with CCA, and Intercoton will provide socialize this support by organizing events across the entire cotton producing region in April 2023. The aim of this event is to encourage affected producers to continue cotton production in the future and not abandon it altogether.

Regarding future developments in the cotton sector, the country is aiming to enhance the quality of cotton seed and increase yield by constructing a de-linting facility. To this end, a pilot unit is currently being constructed to use sulfuric acid to remove the fuzz or lint surrounding cotton seeds. This chemical process differs from the mechanical method, which can damage the seeds, as it allows for the selection of good and bad seeds before leaving the factory. Farmers who require lint-free seeds for mechanical planting will be guaranteed high seed germination rates, and their workload will be significantly reduced by eliminating the need to sow seeds in clusters and separate excess plants.

The CCA is the industry's regulatory body for issues such as pricing. Intercoton 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.



## Production, Supply and Distribution Table:

Cotton	2021/2022		2022/2023		2023/2024	
	Aug 2021		Aug 2022		Aug 2023	
Market Year Begins	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Cote d'Ivoire						
Area Harvested (1000 HA)	470	470	410	410	0	390
Beginning Stocks 1000 480 lb. Bales	468	468	158	373	0	163
Production 1000 480 lb. Bales	1050	1050	530	450	0	700
Imports 1000 480 lb. Bales	0	0	0	0	0	0
Total Supply 1000 480 lb. Bales	1518	1518	688	823	0	863
Exports 1000 480 lb. Bales	1350	1120	550	650	0	700
Domestic Use 1000 480 lb. Bales	10	25	10	10	0	10
Loss 1000 480 lb. Bales	0	0	0	0	0	0
Domestic Use and Loss 1000 480 lb. Bales	10	25	10	10	0	10
Ending Stocks 1000 480 lb. Bales	158	373	128	163	0	153
Total Distribution 1000 480 lb. Bales	1518	1518	688	823	0	863
Stock to Use % (PERCENT)	11.62	32.58	22.86	24.7	0	21.55
Yield (KG/HA)	486	486	281	239	0	391
(1000 HA) ,1000 480 lb. Bales,(PERCENT) ,(KG/HA)						

### Attachments:

No Attachments

End of Report