

Required Report: Required - Public Distribution

Date: April 28, 2022

Report Number: SG2022-0007

Report Name: Cotton and Products Annual

Country: Senegal

Post: Dakar

Report Category: Cotton and Products

Prepared By: Fana Sylla

Approved By: Barrett Bumpas

Report Highlights:

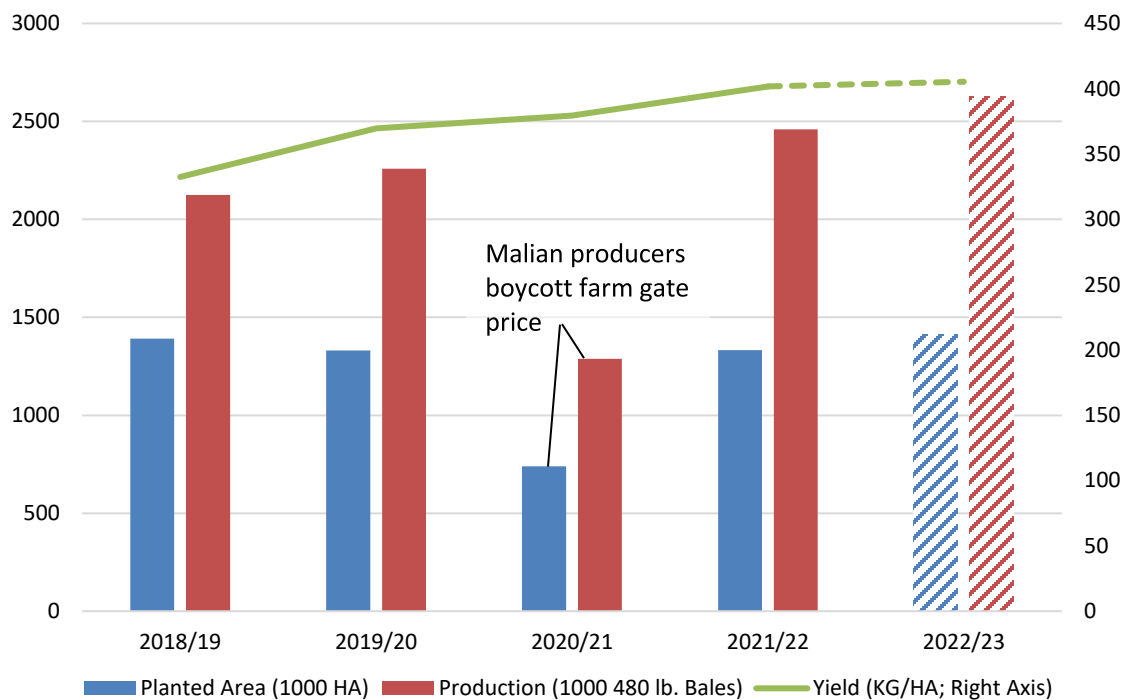
Post forecast marketing year (MY) 2022/23 (August to July) area for Mali, Senegal, and Burkina Faso to increase six percent to 1.41 million hectares (Mha) compared to the previous year. However, this growth will depend on the level of government support through the farm gate and input prices which have not yet been announced. MY 2022/23 production is forecast to increase seven percent to 2.62 million bales on the expectation of average rainfall, less pest pressure, and appropriate fertilizer use. Following the Malian producer boycott of farm gate prices in 2020/21, Post estimates that regional MY 2021/22 area and production levels have rebounded, up 80 percent and 91 percent from the previous year to 1.33 Mha and 2.46 million bales, respectively. Post forecasts MY 2022/23 regional exports at 2.57 million bales, up seven percent year-over-year on available supply and higher demand.

Executive Summary:

Marketing year (MY) 2022/23 (August to July) area planted for Mali, Senegal, and Burkina Faso is forecast to increase six percent to 1.41 million hectares (Mha) compared to the previous year. However, this growth will depend on the government subsidy for farm gate and input prices, including fertilizer, which have not yet been announced. This support motivates farmers to plant, if economically sufficient. MY 2022/23 production is forecast to increase seven percent to 2.62 million bales, with typical weather conditions, less pest pressure, and appropriate use of fertilizer.

For Mali, Senegal and Burkina Faso, Post forecasts MY 2022/23 total exports at 2.57 million bales based on greater available supply and higher demand.

Figure 1: Greater Yields Boost Production Regionally: Cotton Planting Area, Production, and Yields from 2018/19 to 2022/23 in Burkina Faso, Mali, and Senegal



Source: USDA Production, Supply, and Distribution (PSD) Online and FAS Dakar projections

Post forecasts 2022/23 Mali area and production level each to increase three percent at 740,000 ha and 1.47 million bales, respectively, on expectation of good farm gate and input prices, and average weather conditions. 2022/23 exports are forecast to increase three percent to 1.44 million bales based on available supply. 2021/22 exports are estimated at 1.40 million bales, increasing 59 percent from the previous year. With the January 2022 Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (UEMOA) decision to close borders to Mali due to the military coup, no cotton can be exported through the Port of Dakar or Abidjan. The Compagnie Malienne pour le Développement des Textiles (CMDT), which is responsible for cotton commercialization, is instead using the port of Nouakchott in Mauritania and possibly the Autonomous Port of Conakry in Guinea.

2022/23 area and production in Burkina Faso is forecast to increase 9 percent and 12 percent, respectively, at 650,000 ha and 1.11 million bales on expectation of a good farm gate prices and affordable inputs, average weather, and a better security situation that will permit farmers to access to their land. Post forecasts 2022/23 exports at 1.08 million bales based on available supply and high demand.

Post forecasts Senegal 2022/23 area and production level to increase 11 and 13 percent at 20,000 ha and 45,000 bales based on an incentive farm gate and affordable input prices.

None of the countries in the region have announced the 2022/23 farm gate and input prices.

Government and private industry contacts estimate Mali, Senegal, and Burkina Faso MY 2021/22 area and production levels to increase 80 percent and 91 percent from the previous year to 1.33 Mha and 2.46 million bales, respectively. This global increase for all three countries is due to Mali area and production growth following a return to production after farm gate price boycotts led to a massive drop in area planted in MY 2020/21. Senegal MY 2020/21 area harvested remained the same and production level increased five percent compared to the previous year due to an increased use of fertilizer enriched with calcium in addition to a good crop protection program and increase access to herbicides. Burkina Faso MY 2020/21 area and production level increased seven percent and four percent respectively due to a 20-day delay of the rainy season poorly distributed which reduced the percentage of early seed planted (6 percent) and delaying fertilizer distribution.

2021/22 exports are estimated at 2.41 million bales, up 18 percent compared to the previous year based on significantly higher supply following a return to production in Mali.

Mali

Production

Post forecasts 2022/23 area to increase three percent to 740,000 ha compared to the previous year based on anticipated good farm gate prices, and input prices that have almost doubled worldwide and will motivate farmers to plant more. Farmers are not aware yet on how much the Government of Mali (GOM) will subsidize cotton inputs.

Post forecasts 2022/23 production to increase 3 percent to 1.47 million bales assuming good rainfall, low pest pressure, and continuous use of organic fertilizer combined with chemical fertilizer, as recommended by researchers and cotton companies.

The Malian cotton zone is in the south and west of the country and covers 5.3 million inhabitants in 4,020 villages farming 205,639 cotton farms in 2021/22. CMDT has four areas of regional responsibility:

- Center (Fana and the high valley of Niger zone)
- South (Bougouni and Sikasso zone)
- North-east (Kouitala and San zone)
- West (Kita zone)

Production in 2020/21 fell significantly due to farmer boycotts over the farm gate price and low input subsidies (see the September 2020 [Cotton Update](#) for more details). However, farmers returned to cotton in 2021/22 and GOM estimates area planted at 720,000 ha. With that, 2021/22 production is up 377 percent to 1.43 million bales. This production boost also includes a 9 percent yield increase compared to the previous year. This growth is mainly the result of a higher rate of organic fertilizer use (63 percent), a high rate of early planting, and a well dispersed rainfall from June to August. In MY 2021/22, cotton farmers used chemical fertilizer (NPKSB 14-18-18-6-1) at a dose of 150 KG per hectare (74 percent) or 200 KG per hectare (26 percent). In addition, 63 percent of farmers were able to add organic fertilizer at a dose of five tons per hectare. In MY 2021/22, about 86 percent of farmers planted early in June, and 13 percent of seeds were planted late in July compared to 56 percent the previous year. About 66 percent of Malian farmers use animal-powered tractors while 32 percent have access to more modern, mechanized tractors. In MY 2021/22, the GOM provided about \$74.9 million in fertilizer subsidy.

Consumption and Value-Added Cotton

2022/23 consumption is estimated at 25,000 bales. MY 2021/22 consumption remain unchanged from the previous year based on the country’s capacity to process locally grown cotton. Mali exports about 98 percent of its cotton. Only two percent remains in country for processing into artisanal weaving yarns (unbleached, white, and dyed thread) and printed fabrics (bogolan fabrics, woven cloth, and woven koba).

Figure 2: Mali Cotton Fiber Production at the Ginning Factory Before Export



Source: Journal du Mali

Trade

2022/23 exports are forecast at 1.44 million bales, a 3 percent increase from the previous year. 2021/22 exports are estimated at 1.4 million bales. Mali is using the Port of Nouakchott in Mauritania to ship cotton fiber, after Senegal and Cote d’Ivoire closed their borders following the January 2022 ECOWAS and UEMOA decision to impose a range of economic and diplomatic measures against Mali following a military coup. Malian officials are also pursuing use of the Port of Conakry in Guinea to supplement

capacity. In CY 2021, most cotton was exported to China (80 percent), Thailand (8 percent), and Indonesia (3 percent). The EU and Turkey imported about seven percent of the total quantity.

Stocks

Stocks for 2022/23 are forecast at 10,000 bales, the same as the previous year.

Policy

Stakeholders are still waiting to see how much the government of Mali will subsidize fertilizer, as prices have increased considerably over the past year in response to the Russian invasion of Ukraine and other macroeconomic factors.

Senegal

Production

Post forecasts 2022/23 area at 20,000 ha, an 11 percent increase from the previous year on expectations of a strong farm gate price and increased access to agricultural equipment and inputs. As with all other West African countries, farm gate prices and input prices have not been announced yet. For many years, the government of Senegal's subsidy has been applied to the farm gate price and not the fertilizer price to avoid diversion to other crops. With substantially rising input prices, if a solution is not found among banks, government, and the Societe De Developpement des Fibres Textiles (SODEFITEX) to reduce fertilizer prices, many farmers will be unable to afford sufficient fertilizer purchases. This could result to a decrease in area planted.

2022/23 production is forecast to rise 13 percent to 45,000 bales assuming average rains, low pest pressure, and appropriate fertilizer use.

Private industry estimates 2021/22 area to remain the same as the previous year at 18,000 ha. 2021/22 cotton production is estimated up 5 percent at 40,000 bales due to an increased use of fertilizer enriched with calcium, a good crop protection program, increase access to herbicides, and the presence of Technical Sales Advisors (CTC) in the farms, allowing close supervision to producers.

Consumption and Value-Added Cotton

Senegal does not have any operating textile companies. 2022/23 and 2021/33 consumption remain estimated at zero bales.

Trade

2022/23 export is forecasted to increase 13 percent at 45,000 bales compared to the previous year based on available supply. 2021/22 exports are estimated to decrease 11 percent at 40,000 bales due to less available supply, a consequence of a lower ending stocks the previous year. All the cotton fiber is exported through the Port of Dakar. In CY 2021, Senegal exported mainly to India (92 percent), and Turkey (6 percent).

Stocks

Stocks for 2022/23 are forecast at 3,000 bales, the same as the previous year in anticipation of more exportable supplies.

Policy

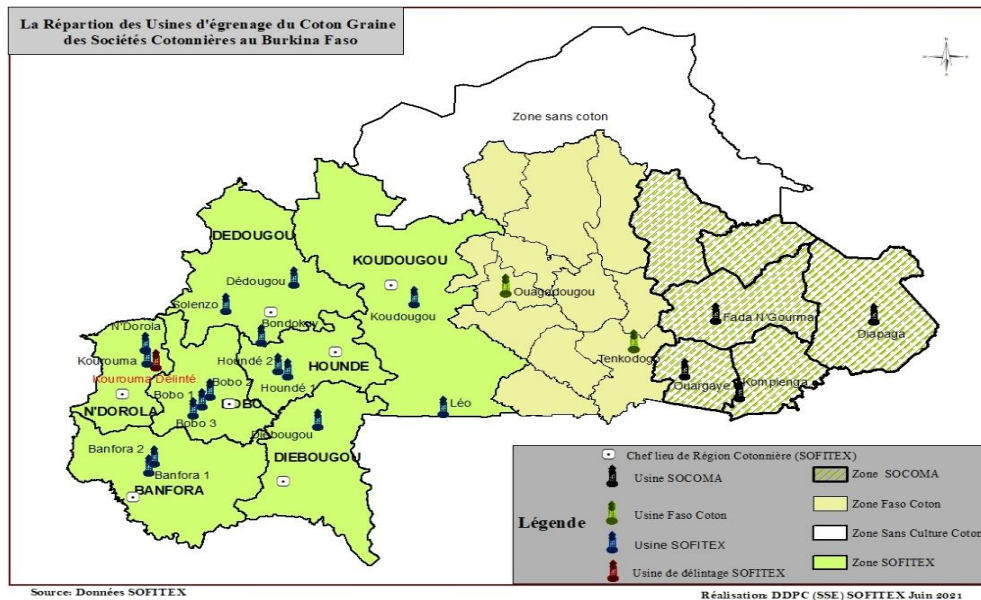
Private industry believes that the farm gate price may be increased from the previous year to motivate farmers to plant more cotton in 2022/23 despite the rising fertilizer prices.

Burkina Faso

Production

Post forecast 2022/23 area planted to increase 9 percent compared to the previous year at 650,000 ha on expected incentivizing farm gate price, good subsidy on input prices, and a better security situation that will allow farmer to access to their land. The three cotton companies present in Burkina Faso, Société Burkinabe des Fibres Textiles (SOFITEX), Faso Coton, and Société Cotonnière du Gourma (SOCOMA), already ordered cotton inputs in anticipation of these developments. The 2022/23 fertilizer prices increased 97 percent from the previous year (\$565.22 per ton to \$1,109.57 per ton). From that starting price, companies will add logistic costs and a six percent credit rate. The newly appointed government has not yet announced the level of subsidy for the fertilizer or the farm gate price, which will be important factors for farmers decisions on planting. According to private industry, to keep the same fertilizer price as in MY 2021/22, the government of Burkina Faso needs to provide about \$111.30 million in fertilizer subsidies. Currently, the country is experiencing a food shortage, and private industry thinks that in during MY 2022/23, farmers could divert fertilizer and use it on food crops such as maize, which could lower cotton yield.

Figure 3: Burkina Faso: Ginnery Locations in Burkina Faso



Source: SOFITEX

Post forecasts 2022/23 production to jump 12 percent to 1.1 million bales, assuming average rainfall, low pest pressure, and adequate use of fertilizer.

All three cotton companies in Burkina Faso estimate 2021/22 area and production to increase 7 and 4 percent from the previous year at 595,000 hectares and 990,000 bales, respectively. The 2021/22 crop was characterized by a 20-day delay of the rainy season, which was poorly distributed among crops, reducing the percentage of early seed planted (6 percent) and delaying fertilizer distribution. However, rain lasted until October in the Faso Cotton zone and November in the Sofitex zone. In addition, there was less pest pressure, despite the discovery of jassids and mites in the Sofitex zone that were controlled. Security challenges remain throughout the country, but especially in the SOCOMA zone, preventing farmers access to their field and causing displacement of many inhabitants. In 2021/22, the government provided a fertilizer subsidy in the amount of \$26.84 million.

Consumption and Value-Added Cotton

Consumption for 2022/23 is forecast at 25,000 bales, the same as the previous year. Burkina Faso has one spinning company, *La Filature du Sahel* (FILSAH), which was established in 1997 and started operations in 2000. The company has a processing capacity of about 5,400 tons of fiber to yarn per year, which is sold to Europe (about 50 percent), the local market (26 percent), and in the Sub-Saharan Africa (24 percent). FILSAH also diversifies its production towards yarns for crafts, export, and for "Maliwatt," a canvas made from cotton waste to wrap cotton bales for export. Canvas is intended to replace plastic used to wrap the bales.

According to the Ministry of the Environment and Living Environment (MECV) report on Economic Analysis of the Cotton Sector from 2011, the craft sector includes more than 110 types of jobs, classified into nine corporations (textile and clothing businesses) grouped within a National Federation of Artisans of Burkina Faso (FENABF) where women are a majority. In Burkina Faso, there are approximately 49,900 weavers (29,400 men and 20,500 women) and 2,700 dyers (2,200 men and 500 women), with an average of three to five apprentices per weaver or dyer. Couture is highly developed in urban and semi-urban centers. The capital, Ouagadougou, has more than 10,000 designers, and more than 80 percent of the cotton processing sector is informal.

Trade

2022/23 cotton exports are forecast at 1.08 million bales, an increase of 12 percent from the previous year based on available supply. Cotton exports for 2021/22 are estimated at 965,000 bales, down approximately 14 percent from the previous year due to a low ending stocks. Cotton fiber is transported to the Ports of Abidjan, Benin, Togo, or Ghana by train or trucks. In CY 2021, the top importing countries were China (77 percent), Pakistan (7 percent), and Thailand (3 percent).

Stocks

2022/23 stocks are forecast to remain at the same level as the previous year, 10,000 bales.

Policy

There is a new government in Burkina Faso, and cotton stakeholders hope that the new government will support the cotton sector by providing enough subsidies to lower cotton inputs prices.

Table 1. West Africa: Fixed Farm Gate Prices for Grade One Cotton

(CFA francs)	Official 2019/20 Farm Gate Price	Official 20/21 Farm Gate Price	Official 21/22 Farm Gate Price	Official 22/23 Farm Gate Price
Burkina Faso	265 (\$0.46)	240 (\$0.41)	270 (\$0.47)	N/A
Mali	275 (\$0.48)	250 (\$0.43)	280 (\$0.49)	N/A
Senegal	300 (\$0.52)	300 (\$0.52)	300 (\$0.52)	N/A

Source: Official government data; \$1= 575 CFA francs; CFA francs per KG

Table 2. West Africa: Pricing for NPK (Nitrogen, Phosphorus, Potassium) and Urea

(CFA francs)	Official 2019/20 Input Prices	Official 2020/21 Input Prices	Official 2021/22 Input Prices	Official 2022/23 Input Prices
Burkina Faso	NPK: 14,000 (\$24.35) Urea: 14,000 (\$24.35)	NPK: 14,000 (\$24.35) Urea: 14,000 (\$24.35)	NPK: 14,000 (\$24.35) Urea: 14,000 (\$24.35)	N/A
Mali	NPK: 11,000 (\$19.13) Urea: 11,000 (\$19.13)	NPK: 11,000 (\$19.13) Urea: 11,000 (\$19.13)	NPK: 11,000 (\$19.13) Urea: 11,000 (\$19.13)	N/A
Senegal	NPK: 14,675 (\$25.52) Urea: 13,112 (\$22.80)	NPK: 15,012 (\$26.11) Urea: 13,112 (\$22.80)	NPK: 15,012 (\$26.11) Urea: 13,112 (\$22.80)	N/A

Source: Official government data; \$1= 575 CFA francs; CFA francs per 50 KG Bag

Production, Supply and Distribution Data Statistics (1,000 Hectares (HA), 1,000 bales, PERCENT, KG/HA)

Cotton Market Year Begins Mali	2020/2021		2021/2022		2022/2023	
	Aug 2020		Aug 2021		Aug 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	165	165	720	720	0	740
Beginning Stocks 1000 480 lb. Bales	621	621	281	10	0	10
Production 1000 480 lb. Bales	285	300	1375	1430	0	1470
Imports 1000 480 lb. Bales	0	0	0	0	0	0
MY Imports from U.S. 1000 480 lb. Bales	0	0	0	0	0	0
Total Supply 1000 480 lb. Bales	906	921	1656	1440	0	1480
Exports 1000 480 lb. Bales	600	886	1300	1405	0	1445
Use 1000 480 lb. Bales	25	25	25	25	0	25
Loss 1000 480 lb. Bales	0	0	0	0	0	0
Total Dom. Cons. 1000 480 lb. Bales	25	25	25	25	0	25
Ending Stocks 1000 480 lb. Bales	281	10	331	10	0	10
Total Distribution 1000 480 lb. Bales	906	921	1656	1440	0	1480
Stock to Use % (PERCENT)	44.96	1.1	24.98	0.7	0	0.68
Yield (KG/HA)	376	396	416	432	0	433

Cotton Market Year Begins Senegal	2020/2021		2021/2022		2022/2023	
	Aug 2020		Aug 2021		Aug 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	18	18	19	18	0	20
Beginning Stocks 1000 480 lb. Bales	10	10	3	3	0	3
Production 1000 480 lb. Bales	38	38	40	40	0	45
Imports 1000 480 lb. Bales	0	0	0	0	0	0
MY Imports from U.S. 1000 480 lb. Bales	0	0	0	0	0	0
Total Supply 1000 480 lb. Bales	48	48	43	43	0	48
Exports 1000 480 lb. Bales	45	45	35	40	0	45
Use 1000 480 lb. Bales	0	0	0	0	0	0
Loss 1000 480 lb. Bales	0	0	0	0	0	0
Total Dom. Cons. 1000 480 lb. Bales	0	0	0	0	0	0
Ending Stocks 1000 480 lb. Bales	3	3	8	3	0	3
Total Distribution 1000 480 lb. Bales	48	48	43	43	0	48
Stock to Use % (PERCENT)	6.67	6.67	22.86	7.5	0	6.67
Yield (KG/HA)	460	460	458	484	0	490

Cotton Market Year Begins Burkina	2020/2021		2021/2022		2022/2023	
	Aug 2020		Aug 2021		Aug 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	556	556	595	595	0	650
Beginning Stocks 1000 480 lb. Bales	205	205	35	10	0	10
Production 1000 480 lb. Bales	915	950	975	990	0	1110
Imports 1000 480 lb. Bales	0	0	0	0	0	0
MY Imports from U.S. 1000 480 lb. Bales	0	0	0	0	0	0
Total Supply 1000 480 lb. Bales	1120	1155	1010	1000	0	1120
Exports 1000 480 lb. Bales	1060	1120	900	965	0	1085
Use 1000 480 lb. Bales	25	25	25	25	0	25
Loss 1000 480 lb. Bales	0	0	0	0	0	0
Total Dom. Cons. 1000 480 lb. Bales	25	25	25	25	0	25
Ending Stocks 1000 480 lb. Bales	35	10	85	10	0	10
Total Distribution 1000 480 lb. Bales	1120	1155	1010	1000	0	1120
Stock to Use % (PERCENT)	3.23	0.87	9.19	1.01	0	0.9
Yield (KG/HA)	358	372	357	362	0	372

Attachments:

No Attachments