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Report Highlights:

MY 2019/20 (August to July) cotton area for Senegal, Burkina Faso, and Mali is estimated at 1.32 million hectares (HA), down four percent mostly due to reduced access to inputs, security challenges, and late rains. Production is forecast to increase 10 percent to 2.36 million bales on expectations of good weather and low pest pressure. MY 2019/20 exports are expected to increase 10 percent to 2.31 million bales on higher exportable supplies and strong international demand. This update primarily focuses on providing an overview of the cotton sector in Mali; it includes an abridged analysis for Burkina Faso and Senegal.

Table of Contents

Executive Summary	3
Mali	
- Production	4
- Consumption and Value-Added Cotton	4
- Trade	4
- Stocks	5
- Policy	5
Burkina Faso	
- Production	5
- Consumption and Value-Added Cotton	6
- Trade	6
- Stocks	6
- Policy	6
Senegal	
- Production	7
- Consumption and Value-Added Cotton	7
- Trade	7
- Stocks	7
- Policy	7
 Figure 1. Burkina Faso: Cotton Production Zones.....	 6
Table 1. West Africa: Fixed Farm Gate Prices for Grade One Cotton	8
Table 2. West Africa: Pricing for NPK and Urea	8
Production, Supply, and Distribution Data Statistics	9

Executive Summary:

This update primarily focuses on providing an overview of the cotton sector in Mali; it includes an abridged analysis for Burkina Faso and Senegal.

MY 2019/20 (August to July) cotton area for Senegal, Burkina Faso, and Mali is estimated at 1.32 million hectares (HA), down four percent mostly due to reduced access to inputs, security challenges, and late rains. Production is forecast to increase 10 percent to 2.36 million bales on expectations of good weather and low pest pressure. MY 2019/20 exports are expected to increase 10 percent to 2.31 million bales on higher exportable supplies and strong international demand.

For Mali MY 2019/20 cotton area is forecast to increase 1.4 percent to 735,000 HA on expectations that a higher fixed farm gate price (see Table 1) influenced farmers to plant more cotton; however, late rains and drought allegedly prevented more significant area increases. Production for MY 2019/20 is projected at 1.33 million bales up five percent on good weather. Exports for 2019/20 are forecast at 1.310 million bales, up five percent from the previous year, on expectations of higher exportable supplies and strong international demand.

Mali

Production

For MY 2019/20 (August to July) cotton area is forecast to increase 1.4 percent to 735,000 HA on expectations that a higher fixed farm gate price (see Table 1) influenced farmers to plant more cotton; however, late rains and drought allegedly prevented more significant area increases. According to sources, late rains delayed planting and caused farmers to reseed about 230,000 HA, although drought caused some farmers to switch to other crops such as millet and sorghum or abandon planting cotton altogether.

Production for MY 2019/20 is projected at 1.33 million bales up five percent on good weather. Although most cotton production areas reportedly received good rainfall, there were reports of weed and pest issues (such as the cotton pest *bemisia, jacobiella*) which may affect yields. The average cotton farm size ranges from 3.5 to 4 HA. According to sources, 90 percent of cotton farms use draught animals to plow the fields and garden seeders while the remaining nine percent rent this equipment or plant and plow the fields manually. Only about one percent of all farms use modern farm equipment such as tractors. All farmers harvest by hand. The Compagnie Malienne pour le Developpement des Textiles (CMDT), which is the largest ginning company and owned by the government, has 18 ginning mills and has the capacity to gin 690,000 MT of seed cotton.

Cotton area and production levels for 2018/19 remain unchanged at 725,000 HA and 1.27 million bales based on official government data.

Consumption and Value-Added Cotton

Consumption for 2019/20 is forecast at 25,000 bales, unchanged from last year. About two percent of cotton fiber is processed into yarn, artisanal fabrics, bags, and mops by three major companies: COMATEX, BATEX-CI, and Sikotex. Cotton seeds are processed into oil and cakes for human and animal consumption.

Trade

Exports for 2019/20 are forecast at 1.310 million bales, up five percent from the previous year, on expectations of higher exportable supplies and strong international demand. Exports for 2018/19 remain at 1.245 million bales, a 33.6 percent decrease from the previous year, on lower exportable supplies.

Cotton is transported to Senegal (60 percent) and Cote d'Ivoire (40 percent) by private trucks and train for export. Cotton fiber is sold to traders Free on board (FOB) at around 1,000 CFA francs (\$1.72) per KG. In 2018/19, Post sources believe most of these exports were shipped to Bangladesh (57 percent), India (11 percent), China (six percent), Malaysia (six percent), Vietnam (five percent), Singapore (two percent), Turkey (two percent), and Indonesia (two percent). Less than two percent is exported to Europe. The main traders are Olam, Louis Dreyfus, Cargill, and Glencore.

Stocks

Stocks for 2019/20 are projected at 6,000 bales, unchanged from last year. According to the sources, no stocks remain in country by the end of the marketing year.

Policy

In 2017, the Government of Mali decided to not privatize the CMDT, and it is still currently owned and managed by the government and local farmers. In the four subsidiaries of CMDT Group, ownership between farmers and the government is split by 20 and 80 percent, respectively. The Strategic Development Program of the Cotton Sector (PDS-FC) 2013-2018 has ended and the new program 2020 - 2025 is currently in development.

Burkina Faso

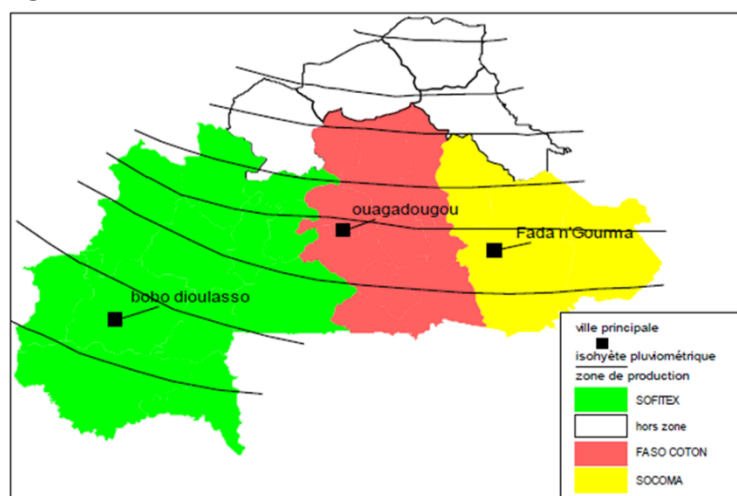
Production

Area for 2019/20 is forecast at 575,000 HA, down by approximately nine percent due to reduced access to inputs, security challenges, and late rains. Approximately 16,000 indebted farmers did not plant approximately 48,000 HA of cotton because credit was not made available by the SOFITEX ginning mill, and instead likely planted other crops such as corn, sesame seeds, sorghum, onions, watermelons, and sweet potatoes. In addition, contacts noted that heightened insecurity in the easternmost cotton production zone covered by the ginning company SOCOMA caused farmers to abandon approximately 40,000 HA of cotton area. Moreover, late rains reportedly discouraged farmers from planting about 37,000 HA of cotton in the western and eastern zones.

Production for 2019/20 is forecast at 1 million bales, up approximately 18 percent, assuming good weather and low pest pressure. Contacts noted rainfall arrived on time during key growth stages. Moreover, although SOFITEX did not provide credit to indebted farmers, farmers who did receive financing were reportedly able to purchase higher quality inputs, such as pesticides. The pesticides used this year were allegedly more effective in combatting cotton pests such as the cotton bollworm, red cotton stainer, whitefly, and fall armyworm.

Area and production for 2018/19 are unchanged at 630,000 HA and 850,000 bales based on government data.

Figure 1. Burkina Faso: Cotton Production Zones



Source : SOFITEK

Consumption and Value-Added Cotton

Consumption for 2019/20 is forecast at 25,000 bales, unchanged from last year. Burkina Faso's only spinning mill, Filature du Sahel (FILSAH), annually processes around 25,000 bales of cotton fiber into yarn for export. Consumption for 2018/19 is unchanged at 25,000 bales.

Trade

Cotton exports for 2019/20 are forecast at 975,000 bales, up approximately 18 percent on expectations of higher exportable supplies and strong international demand. Exports for 2018/19 are unchanged at 825,000 bales. Most of the cotton bales are conveyed by truck or train to the port of Cotonou before being shipped to Asian markets (e.g., Bangladesh, Vietnam, Turkey, India, Indonesia, and Thailand). A small portion of cotton is shipped through the port of Abidjan.

Stocks

Stocks for 2019/20 are projected at 10,000 bales, unchanged from last year. According to contacts, virtually no stocks remain in country by the end of the marketing year.

Policy

According to media sources, for 2019/20 the government of Burkina Faso is injecting 11 billion CFA francs (18.5 million USD) into the cotton sector to subsidize inputs.

Senegal

Production

Area for 2019/20 is forecast at 16,000 HA, down by approximately 24 percent due to farmers deciding to plant other crops because of late rains. According to contacts, late and sparse rain at the beginning of the season caused many farmers to abandon their fields or switch to other crops such as peanuts, corn, or millet.

Production for 2019/20 is projected at 29,000 bales assuming good weather and low pest pressure. According to contacts, rainfall from August to October was very good in areas where cotton was planted; this is expected to result in strong yields. Continuous rains also reportedly kept pest pressure low.

Area and production estimates for 2018/19 are unchanged at 21,000 HA and 29,000 bales based on official government data.

According to SODEFITEX, Senegal's only cotton ginning company, for 2019/20 farmers mainly planted this cotton seed variety: STAM-129. STAM-129 has a production cycle of about 120 days. However, some farmers reportedly experimented with FK 59K, a new seed variety that is allegedly more drought tolerant, on 100 HA of land located in a drought prone area. SODEFITEX reportedly plans to increase the distribution of FK 59K next year.

Consumption and Value-Added Cotton

Post forecasts 2019/20 consumption at zero bales. According to contacts, Senegal only has one textile company, Nouvelle Société Textile Sénégalaise (NSTS); however, it is not currently operational. Prior to 2018, NSTS reportedly annually processed between 300 to 500 bales into yarn for export to Europe and Morocco.

Trade

Cotton exports for 2019/20 remain unchanged from the previous year at 29,000 bales on lower exportable supplies. Over 70 percent of Senegal's cotton is exported to Bangladesh.

Stocks

Stocks for 2019/20 are forecast at 3,000 bales, unchanged from last year. According to contacts, virtually no stocks are stored in country by the end of the marketing year.

Policy

For 2019/20, SODEFITEX maintained a fixed farm gate price of 300 CFA francs (\$0.51) per kg to incentivize farmers to switch from peanuts to cotton. For information on Senegal's cotton policy, please see the [August 2019 update](#).

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

(CFA francs)	Official 2016/17 Farm Gate Price	Official 2017/18 Farm Gate Price	Official 2018/19 Farm Gate Price	Official 2019/20 Farm Gate Price
Burkina Faso	235 (\$0.41)	245 (\$0.89)	250 (\$0.43)	265 (\$0.46)
Mali	250 (\$ 0.43)	250 (\$0.43)	255 (\$0.44)	275 (\$0.48)
Senegal	255 (\$0.44)	300 (\$0.52)	300 (\$0.52)	300 (\$0.52)

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 2016/17 Input Prices	Official 2017/18 Input Prices	Official 2018/19 Input Prices	Official 2019/20 Input Prices
Burkina Faso	NPK: 15,000 (\$26.09) Urea: 15,000 (\$26.09)	NPK: 15,000 (\$26.09) Urea: 15,000 (\$26.09)	NPK: 15,000 (\$26.09) Urea: 15,000 (\$26.09)	NPK: 14,000 (\$24.35) Urea: 14,000 (\$24.35)
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)	NPK: 11,000 (\$19.13) Urea: 11,000 (\$19.13)
Senegal	NPK: 11,880 (\$20.66) Urea: 9,500 (\$16.52)	NPK: 16,038 (\$27.89) Urea: 12,132 (\$21.10)	NPK: 14,675 (\$25.52) Urea: 13,000 (\$22.60)	NPK: 14,675 (\$25.52) Urea: 13,112 (\$22.80)

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

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

Cotton Market Begin Year Mali	2017/2018		2018/2019		2019/2020	
	Aug 2017		Aug 2018		Aug 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	705	705	725	725	775	735
Beginning Stocks	501	501	576	6	471	6
Production	1400	1405	1270	1270	1490	1335
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	1901	1906	1846	1276	1961	1341
Exports	1300	1875	1350	1245	1400	1310
Use	25	25	25	25	25	25
Loss	0	0	0	0	0	0
Total Dom. Cons.	25	25	25	25	25	25
Ending Stocks	576	6	471	6	536	6
Total Distribution	1901	1906	1846	1276	1961	1341
Stock to Use %	43.47	0.32	34.25	0.47	37.61	0.45
Yield	432	434	381	381	419	395

Cotton Market Begin Year Burkina	2017/2018		2018/2019		2019/2020	
	Aug 2017		Aug 2018		Aug 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	850	850	630	630	600	575
Beginning Stocks	305	305	255	10	140	10
Production	1200	1200	850	850	950	1000
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	1505	1505	1105	860	1090	1010
Exports	1225	1470	940	825	900	975
Use	25	25	25	25	25	25
Loss	0	0	0	0	0	0
Total Dom. Cons.	25	25	25	25	25	25
Ending Stocks	255	10	140	10	165	10
Total Distribution	1505	1505	1105	860	1090	1010
Stock to Use %	20.4	0.67	14.51	1.18	17.84	1.00
Yield	307	307	294	294	345	379

Cotton Market Begin Year	2017/2018	2018/2019	2019/2020
	Aug 2017	Aug 2018	Aug 2019

Senegal	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	20	20	21	21	17	16
Beginning Stocks	2	2	3	3	5	3
Production	33	33	29	29	25	29
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	35	35	32	32	30	32
Exports	30	30	25	29	25	29
Use	2	2	2	0	0	0
Loss	0	0	0	0	0	0
Total Dom. Cons.	2	2	2	0	0	0
Ending Stocks	3	3	5	3	5	3
Total Distribution	35	35	32	32	30	32
Stock to Use %	9.38	9.38	18.52	10.34	20	10.34
Yield	359	359	301	301	320	395

Attachments:

No Attachments