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## **Report Name:** Cotton and Products Update

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**Prepared By:** Fana Sylla

**Approved By:** Robin Gray

### **Report Highlights:**

For Marketing Year (MY) 2022/23 (August to July) harvested area for Mali, Burkina Faso, and Senegal is forecast to increase eight percent to 1.44 million hectares (MHA) compared to the previous year. This increase is largely due to significant subsidies on fertilizers (NPK and Urea) from the relevant governments and the private sector, along with strong farm gate prices which motivate farmers to plant more. The MY 2022/23 production level is forecast at 2.60 million bales, representing a six percent increase compared to last year based on an expectation of typical weather conditions, less pest pressure, and appropriate use of fertilizer. Post forecasts total exports to increase 32 percent to 2.88 million bales based on available supplies. The 2021/22 area and production levels are estimated to increase 80 percent and 91 percent at 1.33 MHA and 2.46 million bales, respectively.

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## **Executive Summary:**

For Marketing Year (MY) 2022/23 (August to July) harvested area for Mali, Burkina Faso, and Senegal is forecast to increase eight percent to 1.44 million hectares (MHA) compared to the previous year. This increase is largely due to significant subsidies on fertilizers (Nitrogen, Phosphorus, and Potassium (NPK) and Urea) from the relevant governments and the private sector, along with strong farm gate prices which motivate farmers to plant more. The MY 2022/23 production level is forecast at 2.60 million bales, representing a six percent increase compared to last year based on an expectation of typical weather conditions, less pest pressure, and appropriate use of fertilizer. Post forecasts total exports to increase 32 percent to 2.88 million bales based on available supplies. The 2021/22 area and production levels are estimated to increase 80 percent and 91 percent at 1.33 MHA and 2.46 million bales, respectively.

Post forecasts Mali will remain the top cotton producer in 2022/23 with Mali's total production accounting for about half of the total production for all three countries. Burkina Faso's production accounts for approximately 44 percent and Senegal's production accounts for two percent. In Mali and Burkina Faso, both governments subsidized fertilizers (NPK and Urea), and farm gate prices to support the sector (See prices in Table 1). In Senegal, the government subsidized farm gate prices, but fertilizers prices were determined by the only cotton processing company, Société de développement et des fibres textiles (SODEFITEX), who kept the same price as the previous year despite a high international market price.

Exports in 2021/22 are estimated to increase 10 percent to 2.18 million bales, compared to exports in the previous year. The increase in exports is mainly caused by the border closure in Mali and Burkina with neighboring countries due to the trade embargo imposed by the *Economic Community of West African States* (ECOWAS). Those border closures delayed the transportation of the product and increased transportation costs due to the need to move the product over a longer distance to reach other ports. This situation was not anticipated by the cotton processing factories. See previous 2022 GAIN [report](#).

## ***Mali***

### **Production**

Area harvested in 2022/23 is estimated to increase 3 percent to 745,000 HA and based on a higher farm gate price for seed cotton. International fertilizer prices increased significantly over the previous year. According to the online media [Malijet](#), the Government of Mali (GOM) provided subsidies for cotton inputs totaling 54.9 billion F CFA (\$95.47 million) during the 2022/23 campaign to make inputs (including fertilizer) more accessible to farmers. While Post estimates that the area in Mali will increase, Post estimates that production in 2022/23 will decrease one percent to 1.41 million bales from the previous year. Despite the high subsidy on fertilizer prices, there was some delay in delivery caused by the trade embargo imposed on Mali by ECOWAS in January 2022 and the consequences of the Russia-Ukraine war. Both of these events prevented Mali receiving the full quantity of inputs ordered, especially the urea. A private industry contact reported that many trucks that were supposed to deliver

inputs were blocked at the borders of Mali during the embargo causing delay. Post thinks that this lack of inputs will likely result in lower yields unless farmers use organic fertilizer to complement. Post estimates that 2021/22 area and production levels will remain at the estimated 720,000 HA and 1.43 million bales representing an 80 percent and 91 percent increase from the previous year, respectively.

### **Consumption and Value-Added Cotton**

Post forecast that in 2022/23 consumption will remain at 25,000 bales, unchanged from the previous year due to Mali limited processing capacity.

### **Trade**

Exports in 2022/23 are forecasted at 1.58 million bales, a 32 percent increase from the previous year due to available supply and higher ending stocks from the previous year. Estimated exports for 2021/22 are 1.20 million bales. While ECOWAS imposed the trade embargo on Mali, trucks were blocked at the Malian borders. As a result, Mali's exports needed to use either the Port of Nouakchott in Mauritania or the Port of Conakry in Guinea. A private contact reported that the transportation to these two ports was complicated with bad road conditions, insecurity, and longer transit times compared to the Port of Dakar or Abidjan. Cotton fiber was shipped by trucks, and it took the company more time to send the stock. As of July 2022, this trade embargo has been lifted and FAS Dakar expects the situation to return to normal with the use of the port of Dakar and Abidjan.

### **Stocks**

Stocks for 2022/23 are forecast at 10,000 bales in expectation of reduced transit times since the port of Dakar and Abidjan will be used again. Stocks in 2021/22 stocks are estimated at 210, 000 bales, representing a 200 percent increase from the previous year. This increase in stocks is due to the logistical issues caused mainly by the ECOWAS embargo of Mali.

### **Policy**

The GOM continues to support the cotton sector. Despite a high purchase price for cotton fertilizer, the GOM was able to subsidize 54.9 billion CFA (\$95.47 million). Additionally, the GOM fixed fertilizer prices for farmers is 12,500 F CFA (\$21.73) for a 50 Kg bag of NPK and urea; the seed cotton farm gate price is set at 285 F CFA (\$0.49) per kg. (See Table 1 and 2.)

## ***Senegal***

### **Production**

Based on information from private industry contacts, Post is forecasting the 2022/23 harvested area at 20,000 ha, an eleven percent increase from the previous year due to unchanged farm gate and fertilizers (NPK and Urea) prices compared to the previous year. Despite high purchasing fertilizer prices, SODEFITEX, the only cotton processing company in Senegal, decided to offer the same price as last year. The region of Velingara accounts for 47 percent of the planted area, followed by Tambacounda/Kahone (20 percent), Kolda (18 percent), and Kédougou (13 percent). Cotton production

in 2022/23 is forecasted to increase seven percent at 45,000 bales assuming average rains, low pest pressure, and appropriate fertilizer use. Unfortunately, fertilizers arrived late and delayed planting in some areas. Consequently, approximately 15 percent of the planting will be late emergence. Moreover, the late use of urea may decrease yield for early planted seed unless the rains last longer than expected.

Based on private industry sources, Post estimates harvested area for 2021/22 will remain the same as the previous year at 18,000 ha. Post's estimate for cotton production in 2021/22 shows an eleven percent increase to 42,000 bales due to increased use of fertilizer which improved yields by about ten percent.

### **Consumption and Value-Added Cotton**

The cotton consumption forecast for 2022/23 and estimate for 2021/22 remain at zero bales, the same as the previous year due to no operational cotton industry.

### **Trade**

The forecasted 2022/23 exports are 45,000 bales, a seven percent increase compared to the previous year based on available supply. The estimated 2021/22 exports are down seven percent at 42,000 bales due to decreased available supply. Senegal exports all its cotton fiber through the Port of Dakar. All the fiber travelled by truck from the ginning factory warehouses to the port.

### **Stocks**

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

### **Policy**

The Government of Senegal continues to support the cotton sector by subsidizing the farm gate price which is unchanged from the previous years.

## ***Burkina Faso***

### **Production**

Based on private industry sources, Post forecasts that 2022/23 harvested area will increase 13 percent to 675,000 HA due to an eleven percent farm gate price rise compared to the previous year. This motivated farmers to plant more despite a 14 percent growth in fertilizer prices. Post forecasts 2022/23 cotton production will increase 16 percent to 1.15 million bales compared to the previous year. Post's forecast assumes average rainfall, low pest pressure, and adequate use of fertilizer. The Government of Burkina Faso (GOBF) subsidized about 50 percent of fertilizer prices in the 2022/23 campaign. However, logistics were an issue. Certain cotton zones located in the Faso Coton and Société Cotonnière du Gourma (SOCOMA) areas received their inputs late. However, private industry contacts said that the

SOFITEX, which produces about 80 percent of the cotton in Burkina Faso, received inputs on time and therefore was able to start the campaign relatively early.

The harvested area and cotton production levels for 2021/22 are estimated to increase 7 and 4 percent compared to last year to 595,000 HA and 990,000 bales, respectively.

### **Consumption and Value-Added Cotton**

Post continues to forecast consumption for 2022/23 and estimate consumption for 2021/22 at 25,000 bales based on Burkina Faso's limited processing capacity. The only spinning company, *La Filature du Sahel* (FILSAH) can only process about 5,400 tons of fiber into yarn per year. Approximately 50 percent of this yarn is sold to Europe, 26 percent to the local market, and 24 percent to Sub-Saharan Africa. For more information on value-added cotton, please see the previous 2022 GAIN [report](#) .

### **Trade**

Post forecasts Burkina Faso's cotton exports in 2022/23 at 1.215 million bales, a 30 percent increase from the previous year due to available supply. Cotton exports for 2021/22 are estimated at 935,000 bales, down approximately 12 percent from the previous year. According to private industry contacts, there was a delay in boarding the cotton fiber caused by the disruption of maritime transport resulting from the effects linked to COVID 19 causing port congestion. The closure of the borders between Burkina Faso and Cotonou (Benin) caused a major inconvenience, particularly to SOCOMA that uses the port of Cotonou. They were obliged to pass through Niger or Togo to get to the port of Cotonou which delayed shipments and increased transportation costs. In Burkina Faso, cotton fiber is transported to the Ports of Abidjan, Benin, Togo, or Ghana by train or trucks.

### **Stocks**

Post forecasts 2022/23 stocks at 10,000 bales. Estimates for stocks in 2021/22 are 100,000 bales due to delays in transportation.

### **Policy**

The new government in Burkina Faso supports the cotton sector and has subsidized farm gate and fertilizer prices. A global amount of 72.8 billion F CFA (~\$126 million) was used to subsidized inputs for the 2022/23 cotton campaign.

**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)	300 (\$0.52)
Mali	275 (\$0.48)	250 (\$0.43)	280 (\$0.49)	285 (\$0.49)
Senegal	300 (\$0.52)	300 (\$0.52)	300 (\$0.52)	300 (\$0.52)

Source: Official government data from Mali, Senegal, and Burkina Faso; \$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)	NPK: 16,000 (\$27.82) Urea: 16,000 (\$27.82)
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: 12,500 (\$21.73) Urea: 12,500 (\$21.73)
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)	NPK: 15,012 (\$26.11) Urea: 13,112 (\$22.80)

Source: Official government data from Mali, Senegal, and Burkina Faso; \$1= 575 CFA francs; CFA francs per 50 KG Bag

**Table 3. Mali- Cotton 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	740	745
Beginning Stocks 1000 480 lb. Bales	621	621	296	10	601	210
Production 1000 480 lb. Bales	300	300	1430	1430	1450	1410
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	921	921	1726	1440	2051	1620
Exports 1000 480 lb. Bales	600	886	1100	1205	1400	1585
Domestic Use 1000 480 lb. Bales	25	25	25	25	25	25
Loss 1000 480 lb. Bales	0	0	0	0	0	0
Total Dom. Cons. 1000 480 lb. Bales	25	25	25	25	25	25
Ending Stocks 1000 480 lb. Bales	296	10	601	210	626	10
Total Distribution 1000 480 lb. Bales	921	921	1726	1440	2051	1620
Stock to Use % (PERCENT)	47.36	1.1	53.42	17.07	43.93	0.62
Yield (KG/HA)	396	396	432	432	427	412

**Table 4. Burkina Faso-Cotton Production, Supply and Distribution Data Statistics**  
(1,000 Hectares (HA), 1,000 bales, PERCENT, KG/HA)

Cotton	2020/2021		2021/2022		2022/2023	
	Aug 2020		Aug 2021		Aug 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
Burkina						
Area Harvested (1000 HA)	556	556	595	595	650	675
Beginning Stocks 1000 480 lb. Bales	205	205	70	70	205	100
Production 1000 480 lb. Bales	950	950	960	990	1050	1150
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	1155	1155	1030	1060	1255	1250
Exports 1000 480 lb. Bales	1060	1060	800	935	1000	1215
Domestic Use 1000 480 lb. Bales	25	25	25	25	25	25
Loss 1000 480 lb. Bales	0	0	0	0	0	0
Total Dom. Cons. 1000 480 lb. Bales	25	25	25	25	25	25
Ending Stocks 1000 480 lb. Bales	70	70	205	100	230	10
Total Distribution 1000 480 lb. Bales	1155	1155	1030	1060	1255	1160
Stock to Use % (PERCENT)	6.45	6.45	24.85	0.95	22.44	0.87
Yield (KG/HA)	372	372	351	362	352	371

**Table 5. Senegal-Cotton Production, Supply and Distribution Data Statistics**  
(1,000 Hectares (HA), 1,000 bales, PERCENT, KG/HA)

Cotton	2020/2021		2021/2022		2022/2023	
	Aug 2020		Aug 2021		Aug 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
Senegal						
Area Harvested (1000 HA)	18	18	19	18	19	20
Beginning Stocks 1000 480 lb. Bales	10	10	3	3	3	3
Production 1000 480 lb. Bales	38	38	40	42	40	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	45	43	48
Exports 1000 480 lb. Bales	45	45	48	42	40	45
Domestic Use 1000 480 lb. Bales	0	0	0	0	0	0
Loss 1000 480 lb. Bales	0	0	-8	0	0	0
Total Dom. Cons. 1000 480 lb. Bales	0	0	-8	0	0	0
Ending Stocks 1000 480 lb. Bales	3	3	3	3	3	3
Total Distribution 1000 480 lb. Bales	48	48	43	45	43	48
Stock to Use % (PERCENT)	6.67	6.67	6.25	7.14	7.5	6.67
Yield (KG/HA)	460	460	458	508	458	490

**Attachments:**

No Attachments