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Cote d'Ivoire

Cotton and Products Annual

2018 Cote d'Ivoire Annual Report

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Report Highlights:
Post projects MY 2018/19 cotton fiber production to rise to 725,000 bales (480 lb.) based on steady yield increases and the anticipation of continued government price supports for growers. MY 2018/19 exports are projected at 650,000 bales to reflect increased domestic supply and growing global demand. Local use remains limited at 50,000 bales. Indications from the current year's crop are that the quality of Ivoirian cotton continues to improve, with an estimated two-thirds of the crop considered first-quality. This is partially due to seasonal variables, but after years of neglect during recurring political crises, a cotton sector which was once one of the region's most productive and quality-conscious is currently experiencing renewed interest and investment.

Production:

Côte d'Ivoire's MY 2018/19 seed cotton production is projected at just over 400,000 tons, a six percent increase from the current MY 2017/18 estimate of 378,000 tons. As a result, MY 2018/19 production of fiber cotton is projected at725,000 bales (480 lb.), assuming normal conditions, a slight yield increase due to improving inputs and management, and stable pricing. MY 2017/18 fiber production is estimated at 680,000 bales. Conditions in producing areas have been ideal throughout the harvest, and both yields and crop quality appear to have benefited as a result. Year-to-year, Post does not anticipate major shifts in area.

Until the early 2000s, the Ivoirian cotton sector was controlled by the public Compagnie Ivoirienne pour le Développement des Textiles (CIDT). Privatization and deregulation policies ultimately dismantled CIDT's control over cotton purchasing and commercialization in Côte d'Ivoire. Multiple rounds of political instability throughout the 2000's hobbled the sector's development considerably, but in the last five years production has rebounded. Côte d'Ivoire is consistently the fourth-largest producer in West Africa after Burkina Faso, Mali, and Benin.

Cotton production is concentrated in the northern and central regions of the country, of which Korhogo and Bouaké are the major commercial centers, respectively. The Savanes District (encompassing main cities of Korhogo, Boundiali and Ferkessédougou) in the north accounts for nearly three-quarters of national production, while Woroba (Séguela) and Vallée du Bandama (Bouaké) Districts account for most of the balance. Planting cotton in the north takes place in late May, while planting in central regions occurs in early June. Harvest generally begins in October and will continue through the end of the calendar year. Ginning mills collect and process the harvest through March. Processing is managed by a total of six companies, or *sociétés*: CIDT, Compagnie Ivoirienne de Coton (COIC), Ivoire Coton (IC), Société Industrielle Cotonnière des Savanes (SICOSA), Société d'Exploitation Cotonnière Olam (SECO), and Global Cotton. Cotton ginning is also concentrated in these northern and central districts (see Domestic Consumption section).

In addition to cashews, cotton is one of the most important cash crops in the country's northern and central districts. Cotton farmers continue to sow and harvest largely by hand, and the average cotton holding is only a few hectares. Many farmers rotate with maize to enhance household food security. While there are several cotton growing operations that exceed 50 hectares and employ more mechanized techniques, they are rare and the average cotton growing operation is no more than 2-3 hectares.

Value Added Cotton:

The country's textile industry, as in much of West Africa, has declined significantly and struggles to compete with imported textiles and fabrics. Beyond small-scale artisanal activities, there are three larger spinning and weaving operations in country, with the ability to produce fabric, yarn, denim, and upholstery fabric. These facilities are located in Agboville, Bouaké (Gonfreville), and Dimbokro. These facilities have struggled in their profitability. There are additional facilities in Bouaké and Abidjan that produce finished wax "pagne", or decorated fabric, run by Seritex and Uniwax.

Domestic Consumption:

An overwhelming majority of Côte d'Ivoire's fiber cotton production is exported to overseas markets for further processing. At most, about 10,000-15,000 tons of fiber cotton per year (approx. 50,000 bales) is purchased locally to produce textiles and artisanal items.

The six companies mentioned above currently operate a total of fifteen functional cotton gins with an estimated installed capacity of over 600,000 tons/year. The majority of the gins are located in the Savanes District, which encompasses the cities of Boundiali, Korhogo, and Ferkessédougou respectively. The remaining facilities are located more centrally in the districts of Woroba and Vallée du Bandama.

Table 1: 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
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	
SICOSA	Lataha	Savanes	50,000

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 provide samples to this laboratory for classification and quality grading of properties such as fiber length and "micronaire", a measurement of the fiber's fineness which can impact processing.

Côte d'Ivoire produces primarily medium-staple upland cotton, and about 5-6 different marketing types with differing traits and desirability on the market. The most common varieties are Manbo, Bema, and Miko, with first-quality Miko and Manbo considered as superior classes. Other lower quality varieties include Bilo, Core, and Buka. Superior and intermediate quality cotton is most often used in fabrics and textiles, while the lower quality is often directed towards the production of mats, cloths, and various industrial/commercial applications.

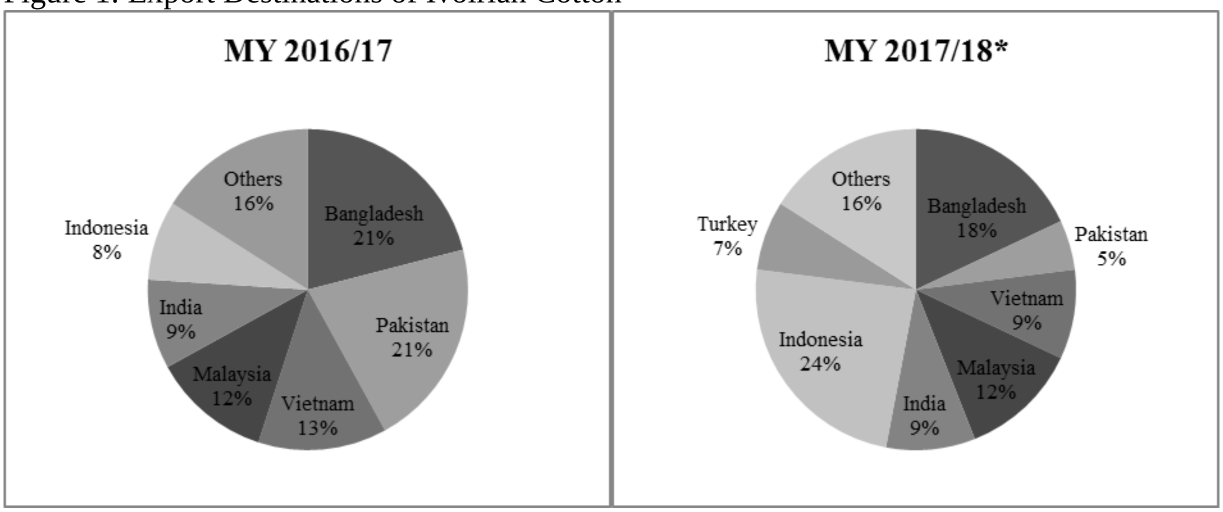
In 2016/17, about 30-40% of Côte d'Ivoire's cotton harvest was classified as first or superior quality. In 2017/18, that figure is estimated to exceed 60%. This is partly due to impacts from renewed development in the sector, but in the short term ideal growing and harvesting conditions have also enhanced crop quality. The increased volume of samples being processed by the national laboratory also points to the country's steadily rising production.

Trade:

MY 2018/19 cotton exports are projected at 650,000 bales, due to increased supply and solid global demand. Estimated MY 2017/18 exports are revised downward to 600,000 bales due to the slow pace of trade year to date. The 2017/18 harvest appears to have occurred towards the latter end of the October to January window, and in some areas of the country's north, raw cotton was still being loaded from production sites for delivery to ginning facilities as late as March. Despite this delay, Post expects exports to hasten in the coming months.

Côte d'Ivoire's cotton gins export primarily to Asian markets for further processing, with some smaller quantities destined for the European Union and Turkey. Bangladesh, India, Indonesia, Malaysia, and Vietnam are the most constant export destinations, though China, Pakistan, and Thailand have also been common destinations for Ivoirian cotton.

Figure 1: Export Destinations of Ivoirian Cotton



**YTD Exports, based on available trade data.*

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. There is thus ample available shipping capacity for export commodities such cotton, cashews, and cocoa. 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. For example, cotton exported from Burkina Faso via Abidjan relies heavily on existing rail links (See FAS Senegal's *2018 West Africa Cotton and Products Annual*). Côte d'Ivoire's second port, San Pedro, is reportedly handling, or at least positioned to handle, a larger share of cotton from Mali as the land corridor receives increased investment. Unfortunately, exact quantities of transshipped cotton are currently unclear, due to a lack of reliable data. During previous crises, cotton exports from neighboring Mali and Burkina Faso shifted primarily to Dakar, Lomé, and in some cases Tema (Ghana) ports.

Stocks:

As Côte d'Ivoire's cotton is almost exclusively exported, the country does not hold stocks in any coordinated fashion. Producers sell the crop immediately, as there's very little if any on-farm storage, and the harvest immediately enters processing and export channels.

Prices:

The Government of Côte d'Ivoire (GOCI), through l'Autorité de Regulation du Coton et de l'Anacarde (ARECA), or more simply the Cotton and Cashew Council (CCA), leads market surveys every April or May, in advance of the May/June planting season to establish farm gate prices for harvested cotton. The price may be revisited closer to harvest. At the time of publication, this process was still ongoing for MY 2018/19. Last year's price was set at 265 CFA francs ($0.50), unchanged from MY 2016/17, and is one of the higher support prices in the region.

Policy:

Until the early 2000s, the Ivoirian cotton sector was controlled by the then-public CIDT. The domestic cotton sector subsequently underwent significant reorganization and privatization. Ensuing instability contributed to the sector's decline in the mid-2000s, but in recent years Côte d'Ivoire's production is on an upward trajectory. 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 2016. Presently, numerous public and private sector players are involved in the production, ginning and export of cotton, including COIC, IC, SICOSA, SECO, and Global Cotton. 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 its desire for the country to harvest 600,000 hectares of cotton by 2020, however the capacity to achieve this in under two years will be difficult, as the country has only harvested above 400,000 hectares twice, in MYs 2014/15 and 2015/16. The country's primary institutes and centers involved in cotton research were either shuttered or damaged during past crises, but research, development, and extension services have been expanded in recent years by both public and private actors.

Production, Supply and Distribution Table:

Cotton	2016/2017		2017/2018		2018/2019	
Market Begin Year	Aug 2016		Aug 2017		Aug 2018	
Cote d'Ivoire	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	345	345	362	366	0	370
Beginning Stocks	106	106	97	41	0	71
Production	625	590	700	680	0	725
Imports	1	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	732	696	797	721	0	796
Exports	625	625	575	600	0	650

Use	10	30	10	50	0	50
Loss	0	0	0	0	0	0
Total Dom. Cons.	10	30	10	50	0	50
Ending Stocks	97	41	212	71	0	96
Total Distribution	732	696	797	721	0	796
Stock to Use %	15.28	6.26	36.24	10.92	0	13.71
Yield	394	372	421	405	0	427
(1000 HA) ,1000 480 lb. Bales ,(PERCENT) ,(KG/HA)						

Commodities:

Cotton