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Report Name: Cotton and Products Annual

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Report Highlights:

Post anticipates cotton fiber production for MY 2024/25 to reach 850,000 bales (480 lb.). Export estimates for MY 2023/24 stand at 650,000 bales, while Post projects exports for MY 2024/25 at 750,000 bales. Annual consumption is projected to remain steady at 10,000 bales.

Production:

Cotton fiber production for MY 2024/25 is projected at 850,000 bales (480lb), a 13 percent increase from 750,000 bales (480lb) in MY 2023/24. Post does not expect a significant increase in the area harvested for the upcoming year. However, Post does expect an increase in yield due to good agricultural practices, water management and improved management of pests, particularly from the Cotton Jassid (*Jacobiella facialis*).

Cotton Jassid infestations have been controlled better this growing season due to farmers increased use of pesticides. Although the current growing season has been successful, compared to last, farmers are still not showing a willingness to increase the area for cotton production due to the rising production costs associated with cotton farming. Apart from the cost of fertilizer, which has tripled since 2020, pesticide applications on cultivated areas have substantially increased to protect from Cotton Jassid infestations and other pests. Combined with ageing farm plots, producers are grappling with the labor-intensive nature of cotton cultivation and a decreased labor force. With all the difficulties associated with cotton farming, farmers are willing to continue farming cotton because they benefit from the fertilizers and pesticides that ginning companies provide to them to farm cotton. 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 not only provides the opportunity for farmers to receive fertilizer for cotton but also for other 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.

In MY 2023/24, Post estimates cotton fiber production at 750,000 bales (480lb). This represents a tremendous increase of 60 percent year over year for cotton fiber production. This increase in output is mainly due to a better management of Cotton Jassids which had a significant impact on the cotton sector during MY 2022/23. The Cotton Jassid is a species of leafhopper that attacks cotton plants by sucking plant sap from its leaves. Thanks to the efforts from actors in the sector led by the Ivoirian cotton association, Intercoton, a new and extremely effective pesticide was prepared by the National Center for Agronomic Research (CNRA) and rapidly disseminated to farmers through different cotton cooperatives. Post estimates the damage caused by the Cotton Jassids to be lower than 15 percent compared to the last growing season.

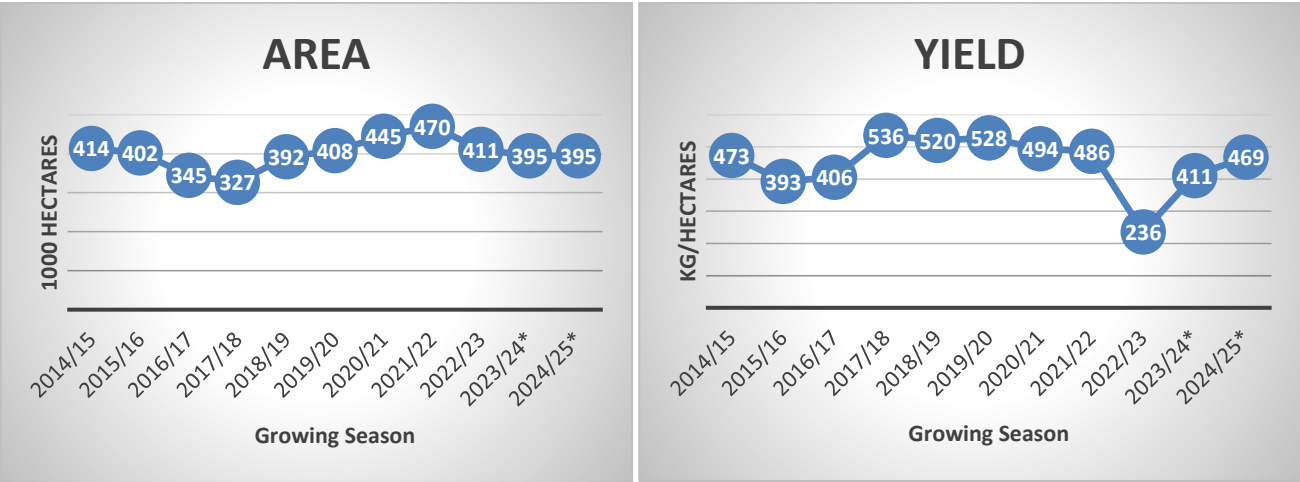
The current cotton growing season has seen yield's increase 76 percent year over year. Although this is a tremendous rise in production, it needs to be taken into consideration that the previous year's production was considerably reduced due to damage from the Cotton Jassid. In MY 2021/22 cotton yields were reduced by 40 percent from MY 2021/22. In addition to the impact generated from the Cotton Jassids, climate variability is another key factor that is still affecting cotton production.

Post does not expect an increase in area harvested for the next growing season due to many farmers decision to plant food crops instead. However, Post expects an increase in yields for MY 2024/25. In recent years, cotton farmers have adjusted their planting schedule, moving it from early May to June, in response to unpredictable weather patterns associated with climate variability. The change in planting schedules has been done to mitigate the risk of crop failure. Such changes underscore the challenges farmers encounter in navigating the impacts of climate change on their livelihoods. Harvesting cotton usually takes place from November to February, during which farmers are occupied with gathering their

harvest for processing and sale to the textile sector. Côte d’Ivoire is one of the largest cotton producers in Sub-Saharan Africa, fourth behind Mali, Benin, and Burkina Faso.

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 the availability of raw materials.

Figure 1: Area and Yield Trends



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

According to present estimates, COIC and Ivoire Coton had the majority of market share as of this past year. However, SECO-OLAM, another major ginning facility, recorded an 85 percent jump in production this year.

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

Organization	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
CIDT	14,553	16,278	22,474	30,588	32,469	23004	19337
Ivoire Coton	30,040	37,925	44,642	49,372	45,543	34746	37957
COIC	20,284	24,697	32,456	33,064	32,791	26897	26373
SECO-OLAM	16,841	17,901	17,691	18,789	20,011	21293	21939
SICOSA	5,335	5,716	--	--	--	--	--
Global Cotton	1,354	819	503	712	701	727	408
TOTAL	88,407	103,336	117,766	132,525	131,515	106,667	106,014

Source : Interprofession du Coton (InterCoton)
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.

Over the past five years, there has been a consistent decline in the quality of cotton. This year, the poor quality of the harvested cotton can be attributed to various factors, with climate change being a significant contributor. Unpredictable rainfall patterns have hindered the growth of cotton plants, and fluctuations in humidity and moisture levels have affected the color and grade of the fibers. Furthermore, the introduction of new cotton varieties like Sicama and Gouassou during the 2018/19 growing season has also impacted quality, as these varieties have been found to have shorter fibers compared to the previous variety (Y 331). These varieties were distributed by the National Center for Agronomic Research (CNRA), which provides basic seeds to cotton companies for multiplication in farmers' fields. Currently, stakeholders in the sector are strategizing the dissemination of new promising varieties developed by the CNRA. These new varieties, CI-123 and CI-128, are anticipated to address the quality challenges encountered by cotton producers, particularly concerning 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 2023, Côte d'Ivoire reported exports of \$19.25 million in woven fabrics, down 13 percent from \$22.2 million in 2022. In 2023, the top five destinations for woven fabric were Guinea (\$5 million), Niger (\$4.1 million), Benin (\$3.4 million), Burkina Faso (\$2 million) and Togo (\$1.4 million). In turn, Côte d'Ivoire reported imports of woven fabric in 2023 totaling \$32 million, with China (\$6.8 million), Benin (\$8.5 million), Netherlands (\$13.7 million), and Pakistan (\$1.8 million) being the top suppliers.

Domestic Consumption:

Cote d'Ivoire predominantly exports its fiber production abroad for further processing. In the forecast for Marketing Year (MY) 2024/25, it is anticipated that domestic production of textiles and artisanal items will remain steady at 10,000 bales. This stability is attributed to increased prices of essential commodities, agricultural inputs, and challenges posed by pests. The six aforementioned companies collectively manage over twenty operational cotton gins, with a combined installed capacity estimated at 635,000 MT/year. The majority of these gins are situated in the Savanes District, encompassing the northern cities of Boundiali, Korhogo, and Ferkessédougou. Additional facilities are located in Woroba (Northwest) and Vallée du Bandama (Central). Korhogo stands out with the highest concentration of ginning facilities, hosting at least seven operational units.

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

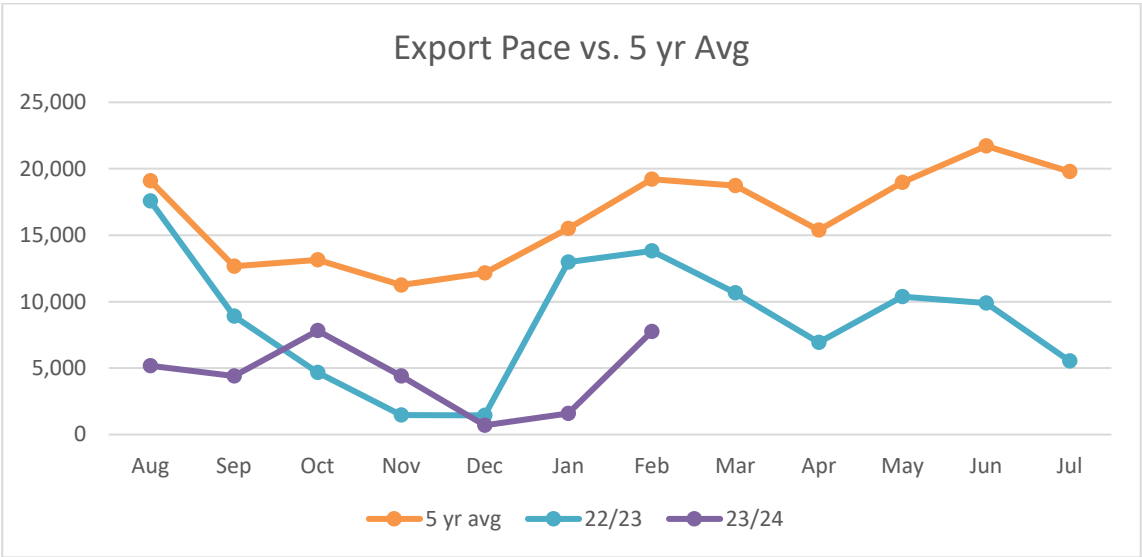
Marketing:

A national laboratory located in Bouaké, known as the Centre de Classement de Coton en Côte d'Ivoire (3C-CI), is responsible for categorizing domestic cotton into various classifications and varieties. All local mills send samples to 3C-CI for classification and quality assessment. Côte d'Ivoire primarily produces medium-staple upland cotton, comprising approximately 5 to 6 distinct varieties with unique characteristics and desirability. Among these varieties, Mambo, Bema, and Miko are the most prevalent, with Miko and Mambo being particularly sought after. Currently, 3C-CI is in the process of obtaining accreditation standards and is managed by Intercotton. Intercotton's objective is to enhance the competitiveness of Ivorian cotton in the international market and ultimately increase its selling price.

Trade:

Post projects MY 2024/25 fiber exports at 750,000 bales assuming that the entire national crop will be exported along with some residual product stocked from the 2023/24 season. Post revises MY 2023/24 fiber exports to 650,000 bales.

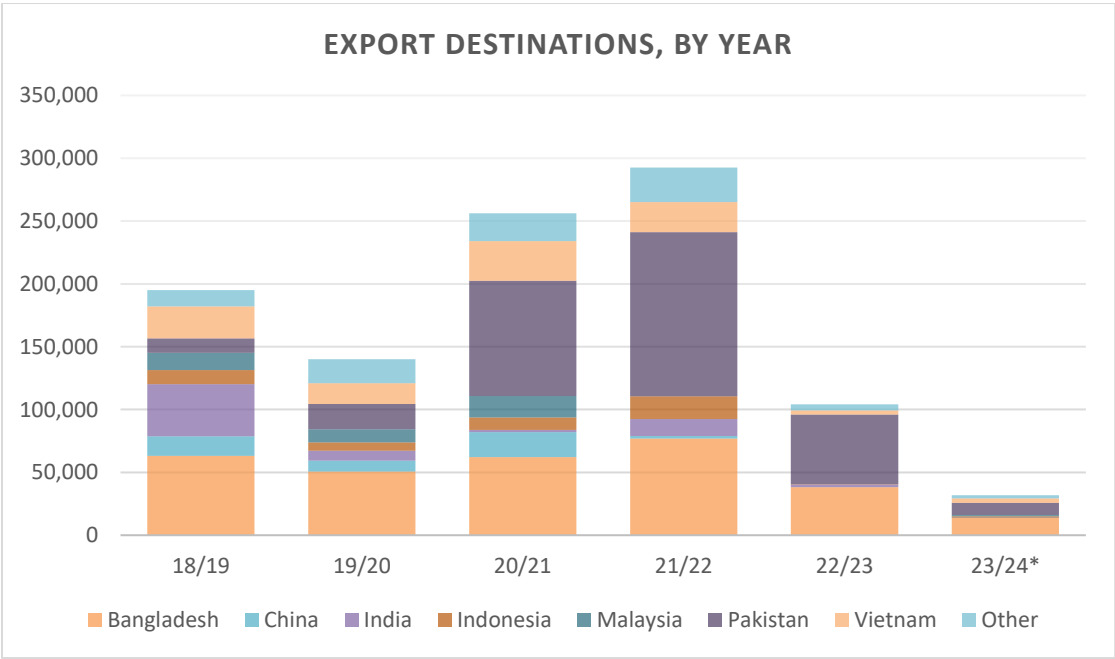
Figure 2: MYs 22/23-23/24 Monthly Export Pace vs. 5-Year Average



Data Source: TDM

Major export destinations are to Asian markets, primarily to Bangladesh then followed by Pakistan. During MY 2022/23, Bangladesh imported over 176,000 bales of Ivoirian cotton followed by 255,000 bales imported by Pakistan representing a drop of 50 percent and 57 percent compared to MY 2021/22.

Figure 3: Major Export Destinations of Ivoirian Cotton



Data Source: Trade Data Monitor (TDM)

*YTD Exports (Aug-Feb)

The primary channel for exporting cotton in the region is via the Port of Abidjan, which ranks among the largest ports in the area. Exporters favor Abidjan due to its pivotal role in importing a diverse range of goods, including rice, fertilizer, and other commodities, to the region. Côte d'Ivoire is strategically positioned to manage a significant volume of cotton exports from the Sahel. Although San Pedro, the country's second port, is primarily associated with cocoa bean exports, it is also capable of handling cotton exports from both Côte d'Ivoire and the wider region. However, the recent political unrest in Burkina Faso and Mali has prompted the West African Community to impose an embargo on various commodities exported from these countries. As a result, exports originating from the Port of San Pedro remain constrained.

Stocks:

Post projects MY 2023/24 ending stocks to be 211,000 bales. MY 2024/25 ending stocks are estimated at 301,000 bales. Given the limited domestic consumption, the volume of trade will continue to influence the levels of carry-over stocks within the country. As Côte d'Ivoire's cotton is predominantly exported, significant reserves are not maintained domestically. Producers typically sell their crop promptly, bypassing storage, and it promptly enters processing and export channels. Nonetheless, in recent times, exports have experienced delays in reaching their peak, leading to some surplus carrying over into the subsequent planting season.

Prices:

The Government of Cote d'Ivoire (GOCI), under the guidance of le Conseil du Coton et de l'Anacarde (CCA), conducts market surveys annually in April or May to determine farm gate prices for harvested cotton. These prices are typically announced ahead of the May/June planting season. For the 2023/24 growing season, the price for top-quality cotton remained unchanged at 310 CFA francs (\$0.52) per kilo, while second-grade cotton was set at 285 CFA francs (\$0.48) per kilo, also unchanged from the previous planting season.

Policy:

Until the early 2000s, the Ivoirian cotton sector was under the control of the then-public CIDT. Subsequently, significant restructuring and privatization took place within the sector, culminating in the privatization of CIDT itself in 2016. Alongside privatization, GOCI reforms have also targeted zoning and production timing. The underlying concept is to encourage companies to make enduring investments in their respective areas of influence, thereby fostering the sector's overall health and expansion. A notable manifestation of this strategy is the provision of free fertilizer by ginning companies to cotton producers for cultivating crops such as corn, rice, or other subsistence crops. The objective of these initiatives is to ensure the availability of food in the regions where these producers reside and operate. In addition to cashew, cotton has been recognized as one of the key sectors crucial for the economies of the country's northern and central regions.

Regarding forthcoming developments in the cotton sector, the country is focused on elevating the quality of cotton seeds and augmenting yield through the establishment of a de-linting facility. In pursuit of this objective, a pilot unit is presently under construction, utilizing sulfuric acid to eliminate the fuzz or lint enveloping cotton seeds. This chemical process, distinct from the mechanical method which risks seed damage, enables the sorting of good and inferior seeds before leaving the factory. Farmers in need of lint-free seeds for mechanical planting will benefit from assured high seed germination rates, while

their workload will be notably reduced by eliminating the necessity 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	2022/2023		2023/2024		2024/2025	
Market Year Begins	Aug 2022		Aug 2023		Aug 2024	
Cote d'Ivoire	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	411	411	395	395	0	395
Beginning Stocks 1000 480 lb. Bales	165	165	121	121	0	211
Production 1000 480 lb. Bales	445	445	745	750	0	850
Imports 1000 480 lb. Bales	0	0	0	0	0	0
Total Supply 1000 480 lb. Bales	610	610	866	871	0	1061
Exports 1000 480 lb. Bales	479	479	575	650	0	750
Domestic Use 1000 480 lb. Bales	10	10	10	10	0	10
Loss 1000 480 lb. Bales	0	0	0	0	0	0
Domestic Use and Loss 1000 480 lb. Bales	10	10	10	10	0	10
Ending Stocks 1000 480 lb. Bales	121	121	281	211	0	301
Total Distribution 1000 480 lb. Bales	610	610	866	871	0	1061
Stock to Use % (PERCENT)	24.74	24.74	48.03	31.97	0	39.61
Yield (KG/HA)	236	236	411	413	0	469
(1000 HA) ,1000 480 lb. Bales, (PERCENT) ,(KG/HA)						

Attachments:

No Attachments