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Report Highlights:

Marketing year (MY) 2021/22 (August to July) area for Mali, Burkina Faso, and Senegal is expected to rebound 77 percent to 1.3 million HA compared to the previous year. Malian area is forecast to increase 324 percent due to the cessation a cotton producer boycott that drove planted area down to 165,000 HA in MY 2020/21. MY 2021/22 production is estimated to increase 87 percent to 2.31 million bales assuming Malian farmers will resume cultivating cotton after a season-long boycott, good rainfall, and low pest pressure. Even though ginning and collection activities are still ongoing, official contacts estimate MY 2020/21 area and production levels in Mali, Burkina Faso and Senegal decreased 44 percent and 45 percent from the previous year to 739,000 HA and 1.24 million bales respectively, mostly due to significant decreases in Mali's area and production numbers. MY 2021/22 total exports are estimated at 2.26 million bales on expectations of higher demand and international market prices.

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Executive Summary:

2021/22 (August to July) area for Mali, Burkina Faso, and Senegal is expected to rebound 77 percent to 1.3 million HA compared to the previous year. The forecast 324 percent increase in Malian area results from the cessation of a cotton producer boycott that drove planted area down to 165,000 HA in 2020/21. Expectations of strong farm gate prices, a better security situation in Burkina Faso, and adequate access to inputs and finance are also expected to drive up cotton area in Mali, Burkina Faso, and Senegal. 2021/22 production is estimated to increase 87 percent to 2.31 million bales on expectation that Malian farmers will return to cotton following the boycott, good rainfall, and low pest pressure. 2021/22 farm gate prices have not been announced yet.

Although ginning and collecting activities are still ongoing, official contacts estimate 2020/21 area and production levels for this region will decrease 44 percent and 45 percent respectively from the previous year to 739,000 HA and 1.24 million bales respectively, mostly due to the cotton producers' boycott in Mali, but also due to security challenges in Burkina Faso, and flooding.

2021/22 total exports are estimated at 2.26 million bales on expectations of higher demand and competitive international market prices.

2021/22 stocks are forecasted to decrease 4 percent based on increased exports and international demand. Official contacts said they expect most of the 2020/21 cotton fiber to be shipped overseas before the beginning of the 2021/22 season.

Although Senegal's farm gate price for peanuts often keeps pace with its farm gate price for cotton, Post is fairly confident Senegal's 2021/22 cotton farm gate price will increase enough to incentivize farmers to continue planting cotton in place of peanuts.

Mali

Production

2021/22 cotton area is forecast to increase 324 percent to 700,000 HA due to the cessation of a cotton producer boycott that drove planted area to down 78 percent in MY 2020/21. Malian producers are expected to return to cotton cultivation if the fixed farm gate price is high enough, if they have access to enough subsidized inputs and financing (see policy section), and if COVID-19 movement restrictions are eased. 2021/22 production is forecast to increase 353 percent to 1.29 million bales assuming good rainfall and low pest pressure.

2020/21 area is estimated to drop 78 percent from the previous year to 165,000 HA due to a cotton producer boycott. Producers boycotted because the farm gate price and subsidies on inputs had been greatly reduced. Although the farm gate price and subsidy amounts were eventually restored to previous levels, this information was announced too late to prevent farmers from switching to corn and other crops. Additionally, about 12,000 HA of cotton area was lost to flooding. (Please see September 2020 [Cotton Update](#) for more details.) 2020/21 production is forecast at 285,000 bales, down 79 percent from the previous year due to a great reduction in area as well as excessive rains that reduced the quality of the crop and caused rotten bolls.

According to media sources, the inability to cultivate cotton in 2020/21 caused great socio-economic distress for the populations of Sikasso region. In Kenedougou, where cotton remains the only source of income for many families, some households took on debt guaranteed with 2021/22 cotton.

Consumption and Value-Added Cotton

2021/22 consumption remains estimated at 25,000 bales, unchanged from the previous year, based on the country's capacity to process locally grown cotton.

Trade

2021/22 cotton exports are forecast up 45 percent to 1.26 million bales on expectations of higher exportable supplies and strong international demand. Exports for 2020/21 are down 26 percent from the previous year at 871,000 bales due to lower available supplies. Official contacts confirm that all 2020/21 cotton fiber (sold and unsold) has left the country and is being stored at port warehouses in Dakar and Abidjan. The entire 2020/21 crop is expected to be sold and shipped by May 2021.

Stocks

Stocks for 2021/22 and 2020/21 are estimated at a low 10,000 bales in anticipation of the resumption of international spinning mill activities after a long lull due to COVID-19. Post estimated 2019/20 stocks at 621,000 bales due to a drop in demand caused by the COVID-19 pandemic's negative effect on spinning and textile mills.

Policy

In February 2021, the Government of Mali and cotton stakeholders held national cotton conferences to jumpstart the cotton sector after a drawn out cotton producer boycott caused cotton production to plummet 79 percent (see September 2020 [Cotton Update](#) for more details). The main recommendations from the conferences were 1) construct new cotton processing units, 2) maintain the fertilizer subsidy in its current form, 3) supply free cotton seeds to producers, and 4) transfer some of the funds used to pay for subsidies to support the 2022/23 farm gate price. In addition, conference participants recommended transferring the responsibility of supplying quality inputs to the state-owned ginning company CMDT over a period of two to five years. According to contacts, this last recommendation was a response to inadequate services and governance issues regarding the private sector which have contributed to a deteriorating climate of trust between producers and service providers.

Senegal

Production

2021/22 area is forecast at 19,000 HA, 6 percent higher than the previous year on expectations of a strong farm gate price and access to finance. In Senegal, peanuts rival cotton in importance to Senegal's agricultural economy, and depending on the farm gate prices, farmers vacillate between the two when choosing their primary cash crop. In 2020/21, the peanut farm gate price was raised about 20 percent from 210 CFA francs per kg to 250 CFA francs, bringing it closer to the cotton farm gate price of 300 CFA francs. If the cotton farm gate price remains at 300 CFA francs per kg for 2021/22, some farmers may switch from cotton cultivation to peanut cultivation because the cost of inputs for cotton is much higher than for peanuts. Although the farm gate price for cotton has not yet been announced, Post is confident Senegal's lone cotton ginning company, SODEFITEX, and the Government of Senegal will increase the farm gate price of cotton to incentivize farmers to continue planting cotton.

2021/22 production is forecast to rise 5 percent to 40,000 bales assuming good rains and low pest pressure. Although 2020/21 ginning activities are still ongoing, Post estimates 2020/21 area and production levels at 18,000 HA and 38,000 bales on official data. In Kolda and Vélingara, excessive rains caused some flooding which reduced area harvested and crop quality. However, the country's overall yield in 2020/21 was 23 percent higher than the previous year due to lower pest pressure and good average rainfall.

In February 2021, the Minister of Agriculture visited southern Senegal and noticed that some farmers were able to reach a yield of 3.5 tons per hectare in the village of Linkéring in the department of Vélingara. However, cotton producers face difficulties planting seedlings on time after the first rains and harvesting cotton due to the lack of modern equipment. According to producers, if better equipment were accessible, more farmers would be incentivized to grow cotton. In response, Minister Baldé promised to make modern equipment more accessible to farmers as part of the Senegalese Agricultural Pace Acceleration Program (Pracas).

Consumption and Value-Added Cotton

2021/22 and 2020/21 consumption remains estimated at zero bales as Senegal's cotton spinning and textile industry is not currently operational.

Trade

2021/22 and 2020/21 exports are estimated at 41,000 bales based on available supply and higher international demand due to a rebound in international market prices for cotton after a significant drop in 2019/20 from the COVID-19 pandemic.

Stocks

Stocks for 2021/22 and 2020/21 are estimated at 2,000 bales and 3,000 bales in anticipation of more exportable supplies.

Policy

Faced with competition from the rising farm gate price for peanuts, official sources believe that SODEFITEX will most likely raise the cotton farm gate price for 2021/22 to motivate farmers to continue planting cotton. In addition, the Government of Senegal promised to increase access to modern planting and harvesting equipment to maximize planted and harvested area.

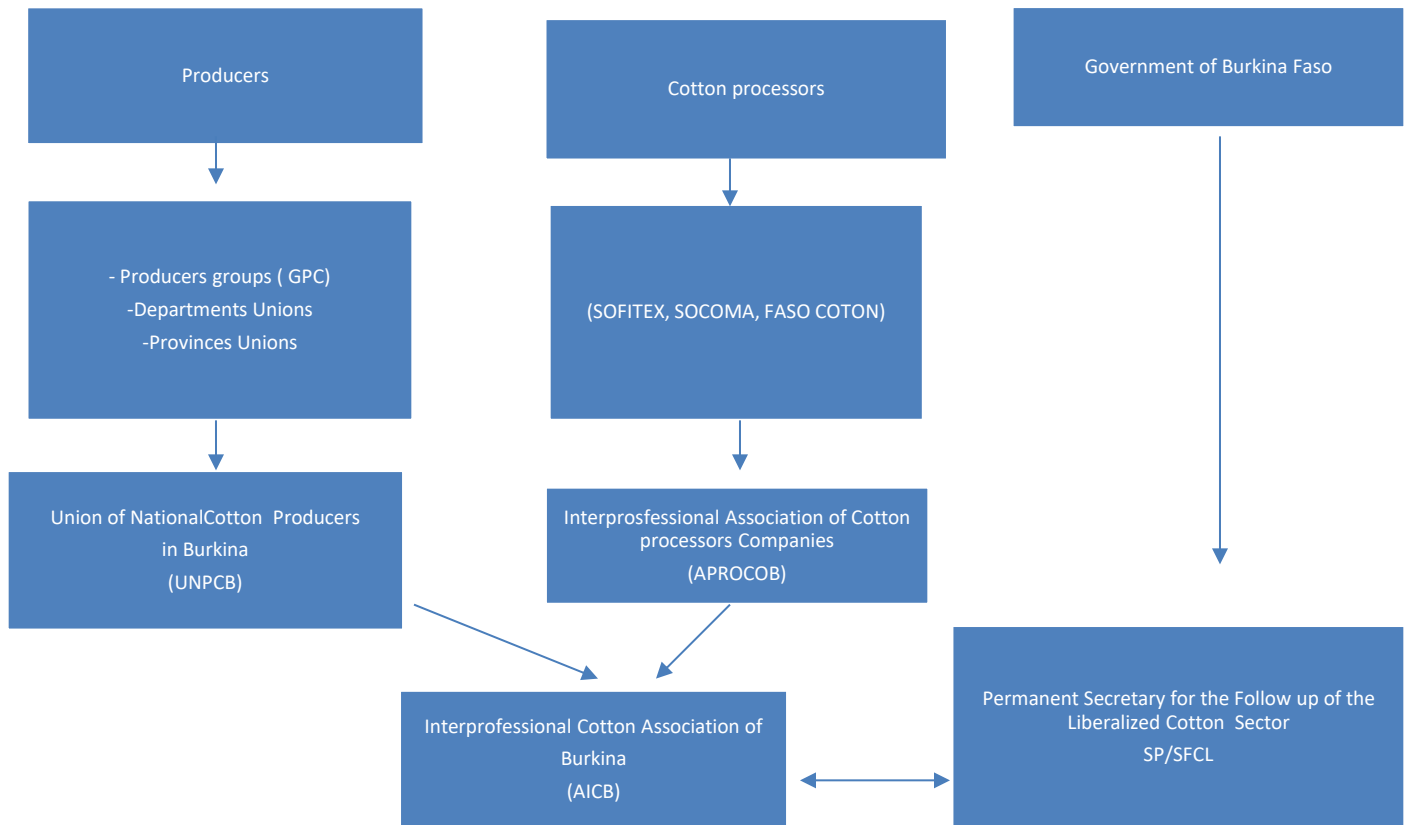
Burkina Faso

Production

2021/22 area planted is forecast at 590,000 HA, a 6 percent increase from the previous year on expectations of an improved security situation throughout the country, the continued subsidization of inputs, and a high farm gate price. 2021/22 production is projected to increase 8 percent to 985,000 bales assuming good rainfall and low pest pressure.

Post estimates 2020/21 area at 556,000 HA on updates from the government, the farmers' association, and ginning companies. This is a decrease of about 4 percent from the previous year caused by security challenges that prevented farmers from accessing their fields, especially in the Société Cotonnière du Gourma (SOCOMA) zone where about 50 percent of the forecast area was not cultivated. Late rains also discouraged some farmers from planting as much as they had intended. Even though 2020/21 ginning activities are still ongoing, 2020/21 cotton production is expected to reach 915,000 bales due to rains that were well dispersed throughout the cotton production zone. Although the rains started late, they lasted long enough to allow cotton plants to mature well and increased yields.

Figure 1: Burkina Faso: Organization of the cotton sector



According to SOFITEX on Burkina Faso Cotton Sector Information Note, the agricultural sector employs 80 percent of Burkina Faso’s population and generates 20 percent of its GDP and the cotton sector accounts for 60 percent of the export earnings. Cotton production in Burkina Faso is entirely rainfed and involves more than 350,000 producers on about 250,000 farms. Three cotton processing companies work closely with farmers and provide them with inputs. Each company has its own warehouses where all inputs are stored. Usually, inputs are delivered to farmers by truck when going to collect the cotton for ginning and export. Organic cotton is grown by only about 2 percent of producers, most of them women.

Photo1: Burkina Faso: Loading Cotton onto Collection Trucks



Source: RFI.fr

Consumption and Value-Added Cotton

Consumption for 2021/22 and 2020/21 is estimated at 25,000 bales.

Trade

2021/22 cotton exports are forecast at 960,000 bales, down 12 percent from the previous year due to low 2020/21 stocks that drove down exportable supplies. Cotton exports for 2020/21 are forecast at 1.08 million bales, up approximately 17 percent from the previous year due to a rebound in demand which had plunged in early 2020 due to the COVID-19 pandemic.

Stocks

2021/22 and 2020/21 stocks are expected to remain at the same level at 10,000 bales. Official contacts said that all the 2020/21 stocks will be sold by the end of July 2021 due to high demand. Burkina Faso ginning companies transport and store all ginned cotton at warehouses in ports in Cote d'Ivoire, Lomé, Benin, and Ghana before being exported.

Policy

Burkina Faso's government will likely continue to support cotton producers by subsidizing cotton prices, fertilizers, and seeds.

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

(CFA francs)	Official 2018/19 Farm Gate Price	Official 2019/20 Farm Gate Price	Official 20/21 Farm Gate Price	Official 21/22 Farm Gate Price
Burkina Faso	250 (\$0.43)	265 (\$0.46)	240 (\$0.41)	TBD
Mali	255 (\$0.44)	275 (\$0.48)	250 (\$0.43)	TBD
Senegal	300 (\$0.52)	300 (\$0.52)	300 (\$0.52)	TBD

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 2018/19 Input Prices	Official 2019/20 Input Prices	Official 2020/21 Input Prices	Official 2021/22 Input Prices
Burkina Faso	NPK: 15,000 (\$26.09) Urea: 15,000 (\$26.09)	NPK: 14,000 (\$24.35) Urea: 14,000 (\$24.35)	NPK: 14,000 (\$24.35) Urea: 14,000 (\$24.35)	TBD
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)	TBD
Senegal	NPK: 14,675 (\$25.52) Urea: 13,000 (\$22.60)	NPK: 14,675 (\$25.52) Urea: 13,112 (\$22.80)	NPK: 15,012 (\$26.11) Urea: 13,112 (\$22.80)	TBD

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	2019/2020		2020/2021		2021/2022	
	Aug 2019		Aug 2020		Aug 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	735	735	165	165	0	700
Beginning Stocks 1000 480 lb. Bales	471	471	621	621	0	10
Production 1000 480 lb. Bales	1350	1350	285	285	0	1290
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	1821	1821	906	906	0	1300
Exports 1000 480 lb. Bales	1175	1175	600	871	0	1265
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	621	621	281	10	0	10
Total Distribution 1000 480 lb. Bales	1821	1821	906	906	0	1300
Stock to Use % (PERCENT)	51.75	51.75	44.96	1.12	0	0.78
Yield (KG/HA)	400	400	376	376	0	401
(1000 HA) ,1000 480 lb. Bales, (PERCENT), (KG/HA)						

Cotton Market Year Begins Senegal	2019/2020		2020/2021		2021/2022	
	Aug 2019		Aug 2020		Aug 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	16	16	17	18	0	19
Beginning Stocks 1000 480 lb. Bales	5	5	6	6	0	3
Production 1000 480 lb. Bales	29	29	36	38	0	40
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	34	34	42	44	0	43
Exports 1000 480 lb. Bales	28	28	35	41	0	41
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	6	6	7	3	0	2
Total Distribution 1000 480 lb. Bales	34	34	42	44	0	43
Stock to Use % (PERCENT)	21.43	21.43	20	7.32	0	4.88
Yield (KG/HA)	395	395	461	460	0	458
(1000 HA) ,1000 480 lb. Bales, (PERCENT), (KG/HA)						

Cotton Market Year Begins Burkina Faso	2019/2020		2020/2021		2021/2022	
	Aug 2019		Aug 2020		Aug 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	580	580	550	556	0	590
Beginning Stocks 1000 480 lb. Bales	280	280	205	205	0	10
Production 1000 480 lb. Bales	880	880	900	915	0	985
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	1160	1160	1105	1120	0	995
Exports 1000 480 lb. Bales	930	930	800	1085	0	960

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	205	205	280	10	0	10
Total Distribution 1000 480 lb. Bales	1160	1160	1105	1120	0	995
Stock to Use % (PERCENT)	21.47	21.47	33.94	0.9	0	1.02
Yield (KG/HA)	330	330	356	358	0	363
(1000 HA) ,1000 480 lb. Bales, (PERCENT), (KG/HA)						

Attachments:

No Attachments