

West African Cotton: a History of Development

Gérald Estur, Consultant

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Session: Cotton's History**

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Outline

- **Overview: Cotton in WCA (AZF)**
- **Historical background**
- **Specificities of the cotton sector**
- **Constraints and potential**

Franc Zone Member Countries

WAEMU

Benin



Burkina Faso



Côte d'Ivoire



Guinea Bissau



Mali



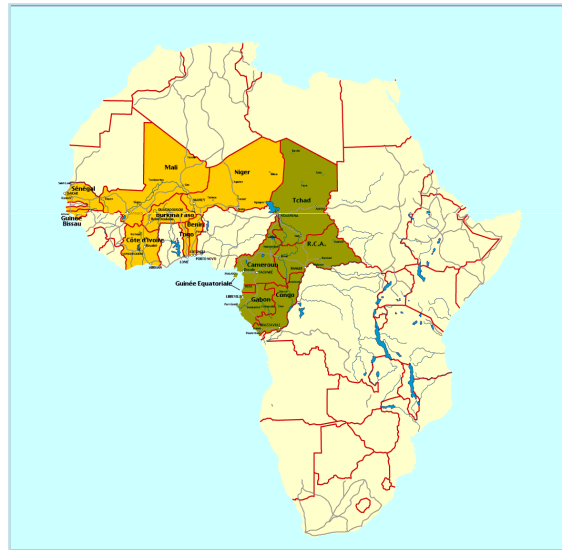
Niger



Senegal



Togo



CAEMC

Cameroon



Central African Rep.



Chad



Congo



Equatorial Guinea

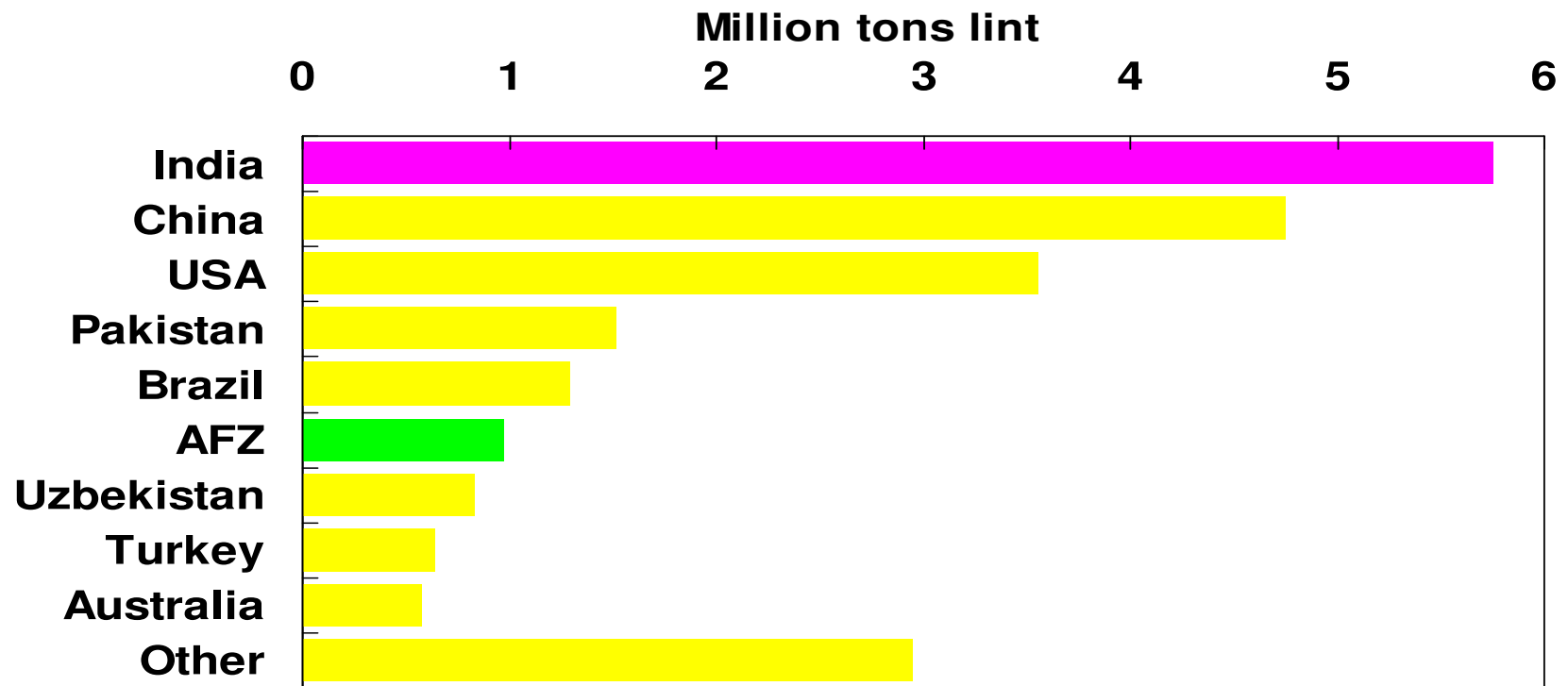


Gabon



Top Cotton Producers

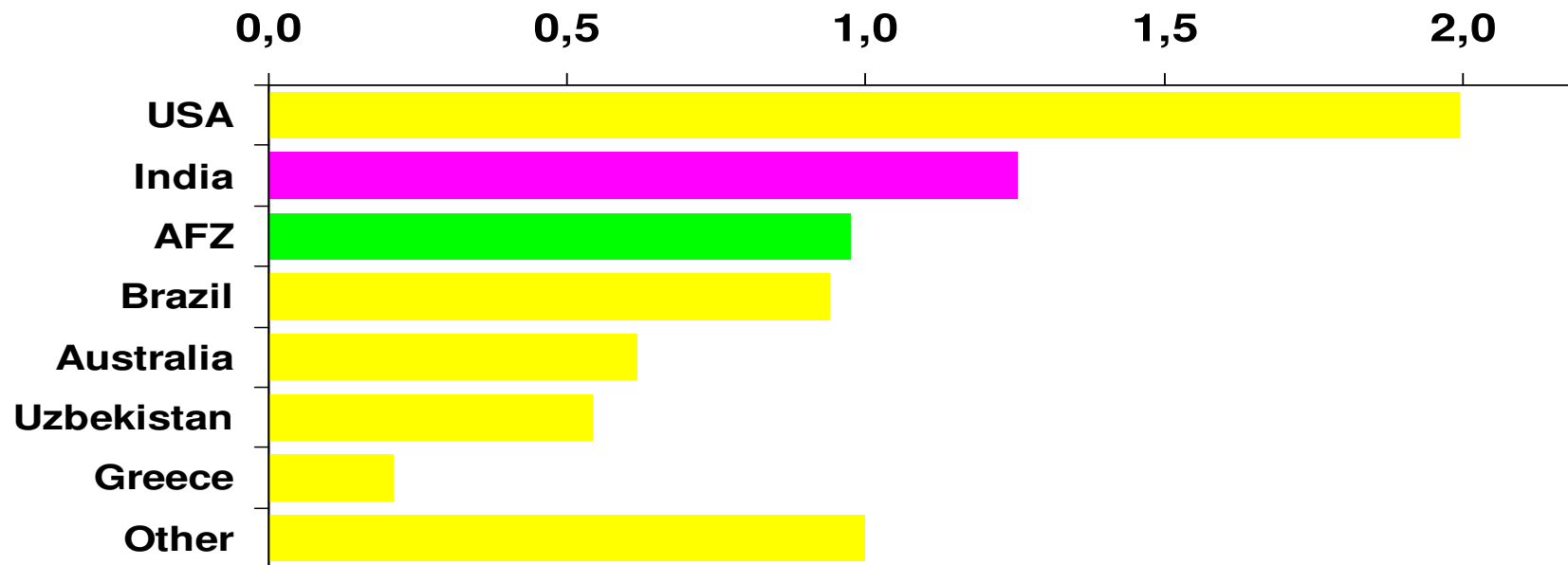
2015/16



Source: ICAC

Top Cotton Exporters 2015/16

Million tons lint



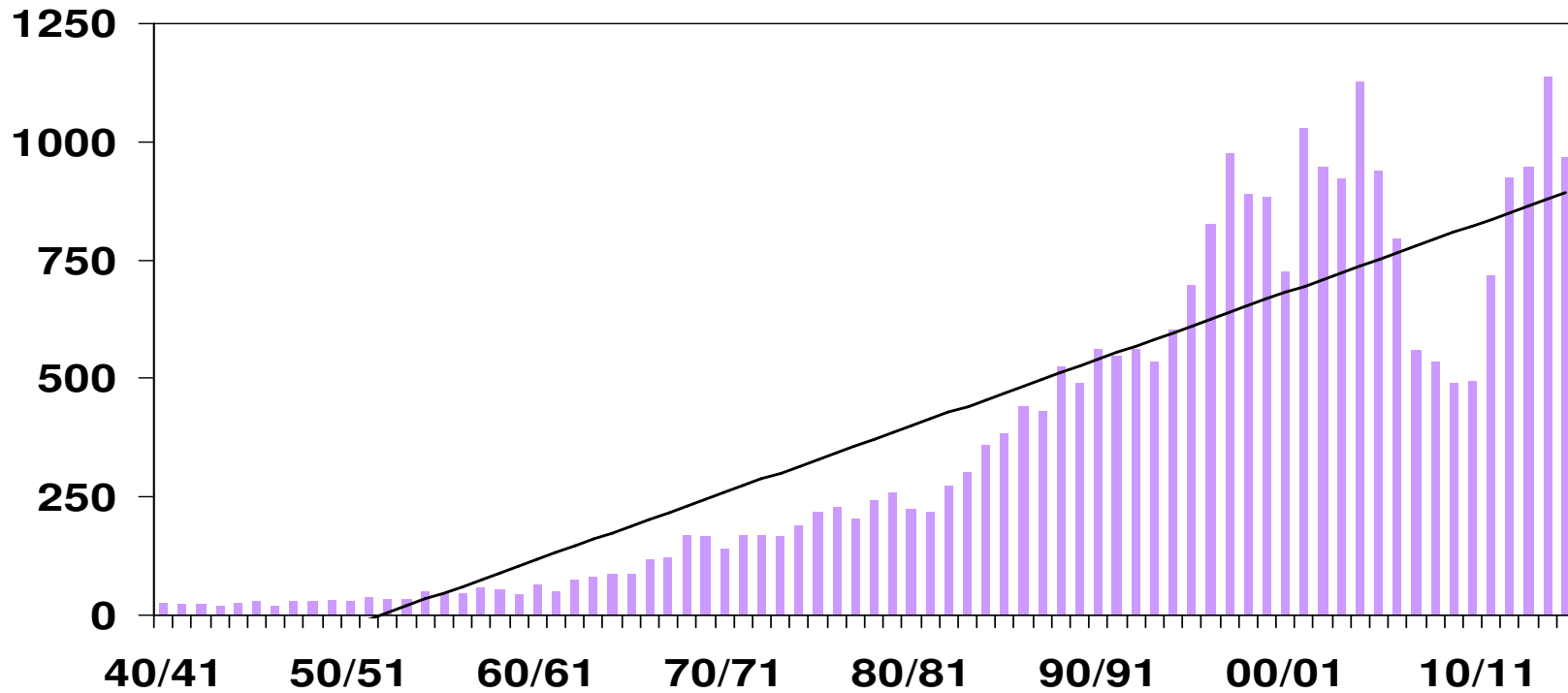
Source: ICAC

Historical Background of Cotton in the AFZ

- Introduced in the last decades of colonial period to supply French textile industry.
- French public cotton research institute (IRCT) developed varieties.
- Dedicated parastatal (CFDT) developed cotton cultivation as integrated supply chain from farm to marketing of lint (COPACO).
- National cotton companies took over in the 1970s.
- Development of farmer organizations.
- Structural changes began in the 1990s: entry of private actors in ginning, oil mills, input supply; establishment of regional monopolies; creation of interprofessional committees.

African Franc Zone Cotton Production

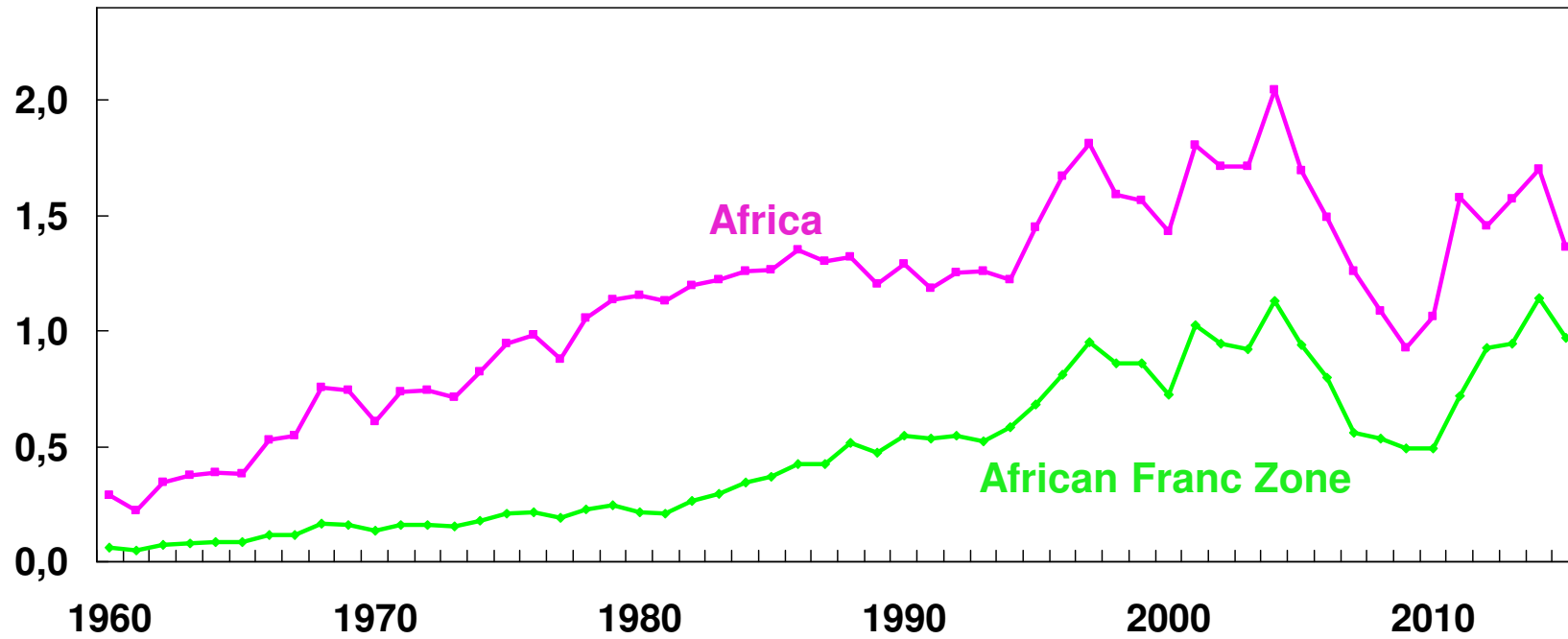
Thousand tons lint



Source: ICAC

Africa's Cotton Production

Million Tons



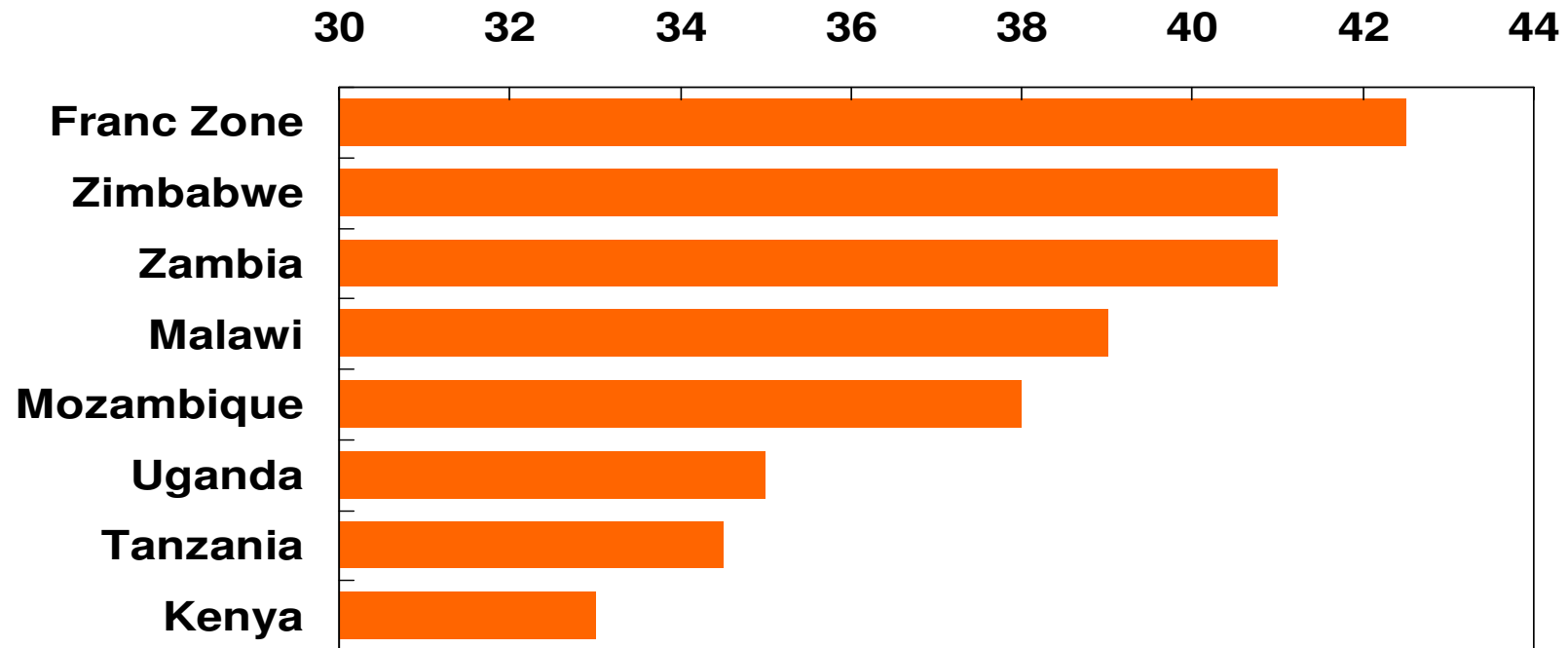
Source: ICAC

Overview of the Cotton Sector in the AFZ

- 100% rainfed upland cotton (*Gossypium hirsutum*).
- Small-scale family farms (average < 5 ha; about 1/3 cotton).
- Labor intensive; low input use.
- Bt cotton introduced in Burkina Faso in 2009; suspended in 2016.
- 100% handpicked; 100% saw-ginned (U.S. made equipment, GOT 40 to 44%).
- Domestic consumption marginal; 98% lint exported.

Ginning outturn

% lint / seed cotton



AFZ Lint Characteristics

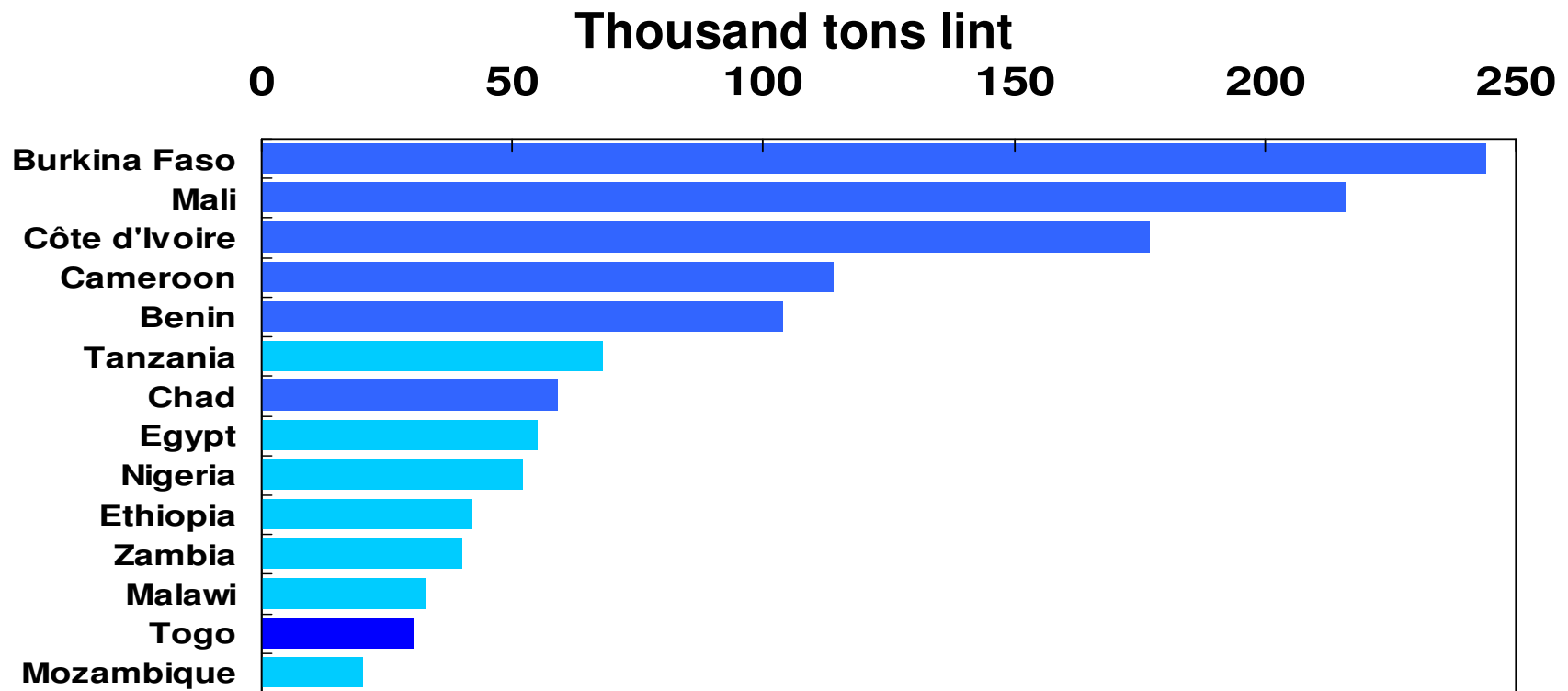
- Similar seed varieties (1 to 3 in each country).
- Grade: 75% Strict Middling and above.
- Staple length:
 - 10% 1"5/32 to 1"7/32;
 - 75% 1"1/8;
 - 15% 1"3/32 and below.
- Micronaire: G5 (3.5-4.9 ncl); average 3.7-4.3.
- Strength: minimum 28 gpt up to 32.
- Uniformity: 80% and above.

The Franc Zone Cotton Sector in Africa

	Share (2015/16)
Population (160 million)	15%
Cotton area (2,650,000 ha)	67%
Yield (365 kg lint/ha)	106% of African average
Production (970,000 tons lint)	71%
Exports (975,000 tons lint)	76%
Mill use (17,000 tons lint)	4%
End-use (150,000 tons fiber; est.)	15%

Source: ICAC

Top African Cotton Producers 2015/16



Source: ICAC

The Importance of Cotton in the AFZ

- Vital cash crop for millions of Africans.
- Major source of export earnings (more than 25% of total exports in several countries).
- Engine of development.
- About 100 ginneries in rural areas (ginning capacity: 3.3 million tons seed cotton per season).
- Oil crushing mills.
- 12 spinning mills in operation (capacity < 50,000 tons).

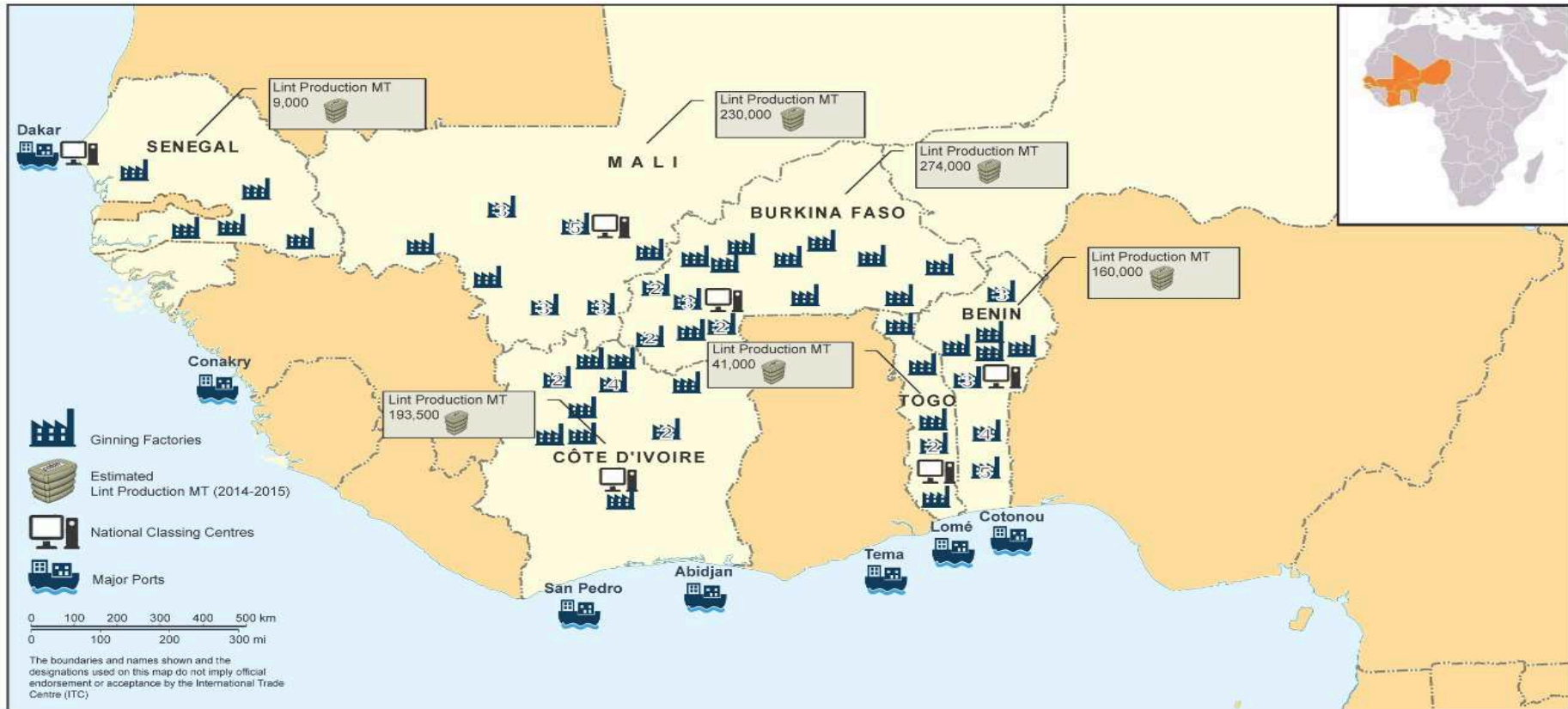
Specificities of the Cotton Sector in the AFZ

- Vertical integration: single-channel relationship between producers and cotton companies to ensure sustainable input credit system and to improve productivity and quality.
- Pan-seasonal, pan-territorial minimum guaranteed pre-planting price:
 - Producer price is a percentage of the international price.
 - Final price based on actual average price (in countries with price support fund).
- Sector managed by 'interprofession' (partnership producers – cotton companies).
- Government support (subventions for fertilizers).

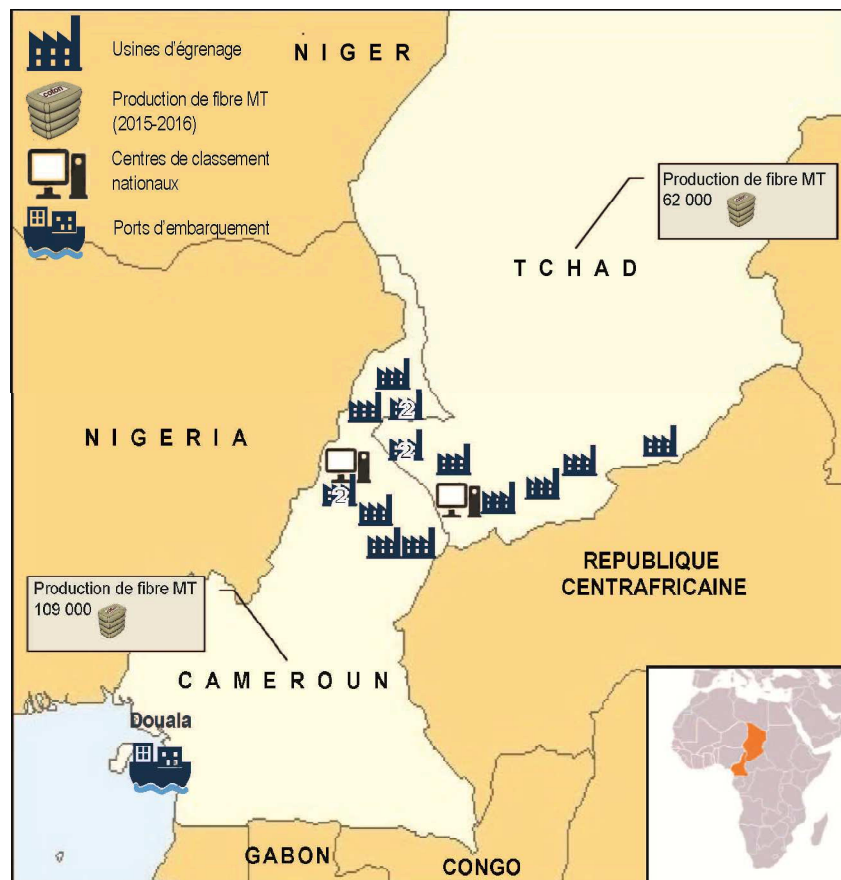
Cotton Sector in AFZ (2015/16)

Country	MT lint	Cotton companies	MT lint / company
Benin	104,000	6	17,000
Burkina Faso	244,000	3	81,000
Cameroon	114,000	1	114,000
Côte d'Ivoire	177,000	6	30,000
Mali	216,000	1	216,000
Senegal	12,000	1	12,000
Chad	59,000	1	59,000
Togo	30,000	1	30,000

Cotton Producing Countries in West Africa

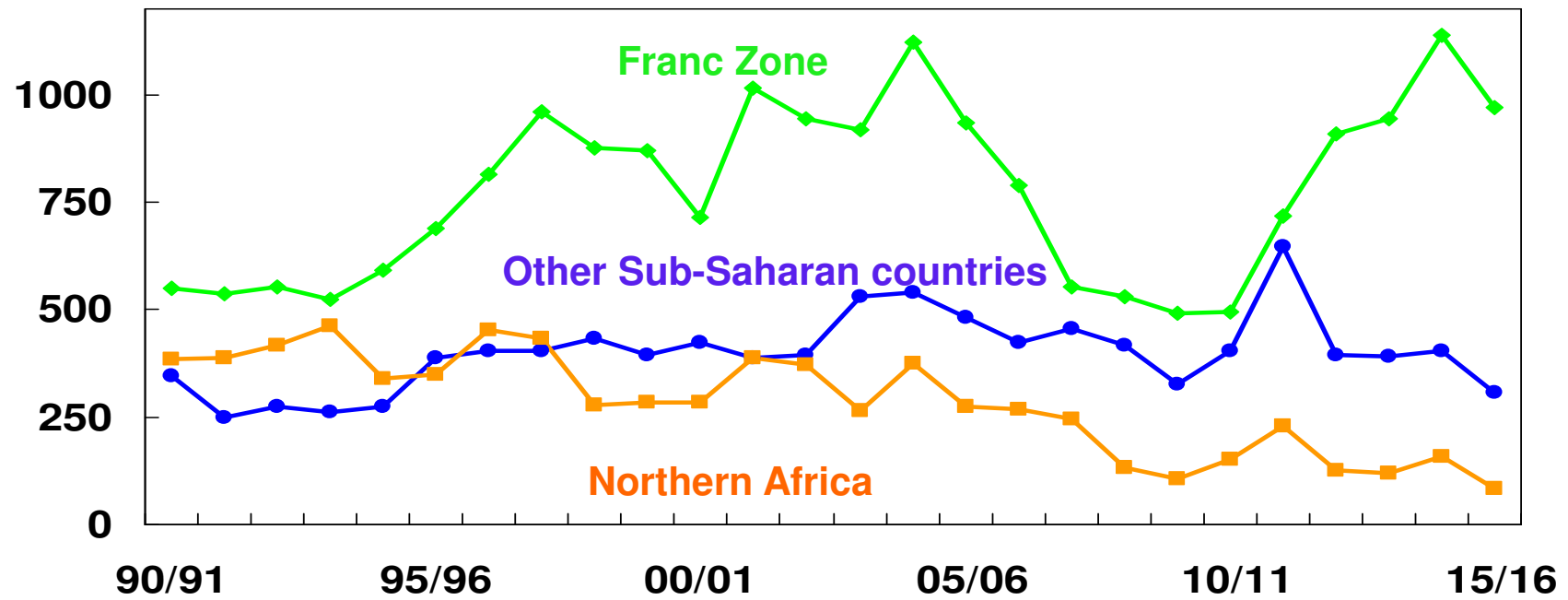


Cotton Producing Countries in Central Africa



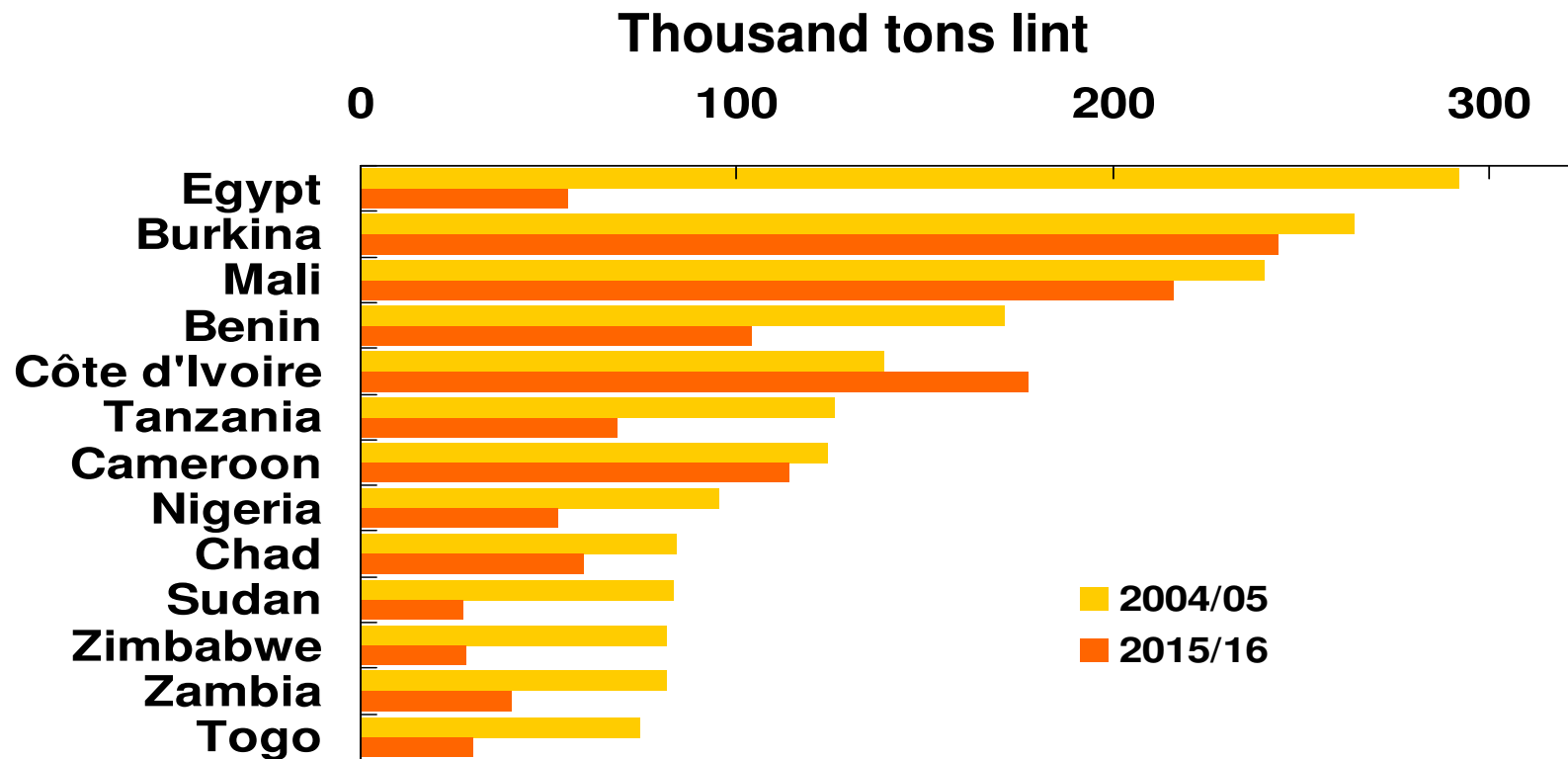
Cotton Production in Africa

Thousand tons of lint



Source: ICAC

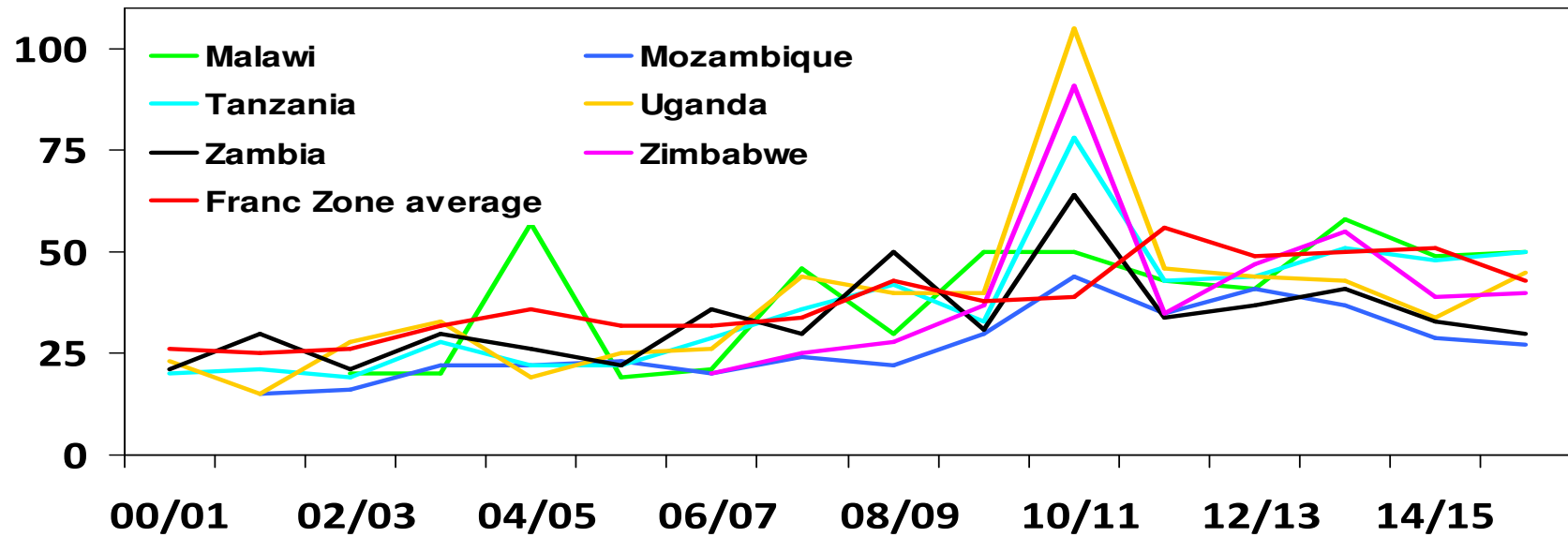
Evolution of Cotton Production



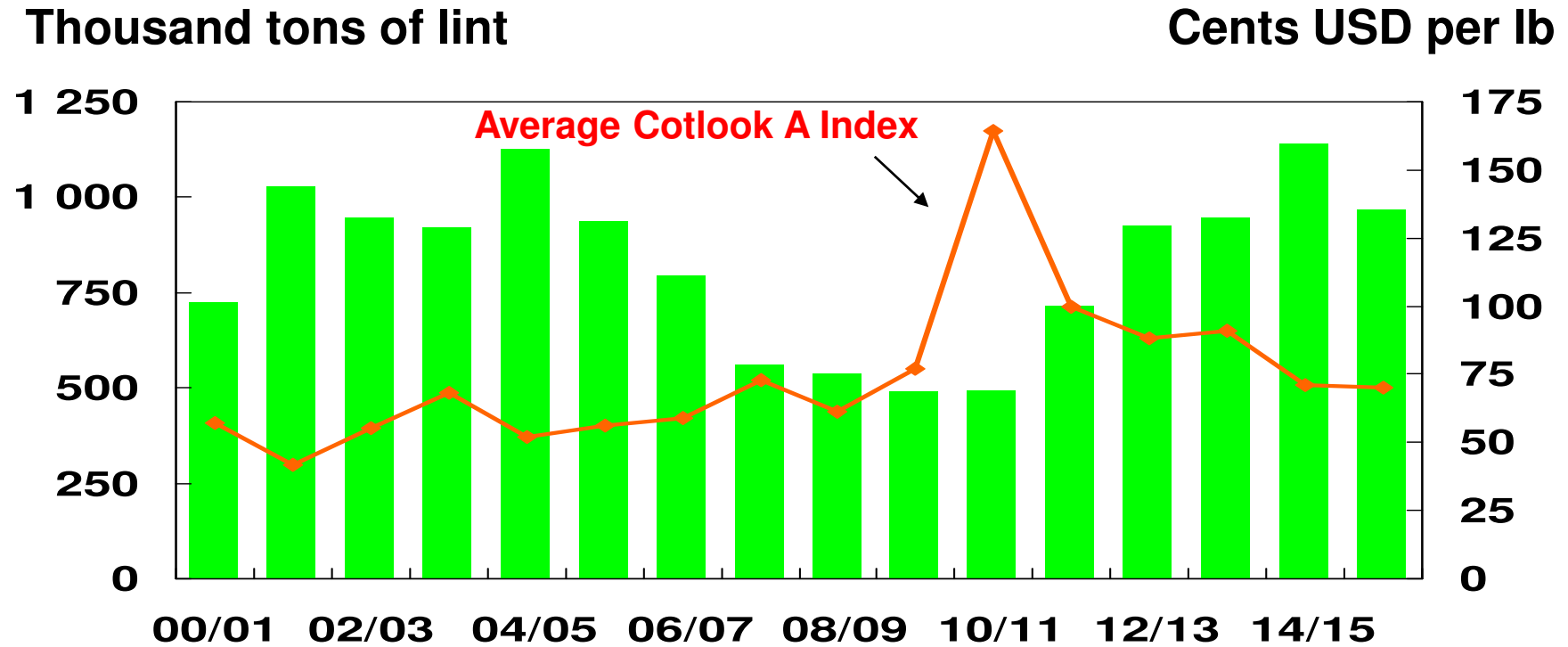
Source: ICAC

Producer price in Africa

Cents USD / kg seed cotton

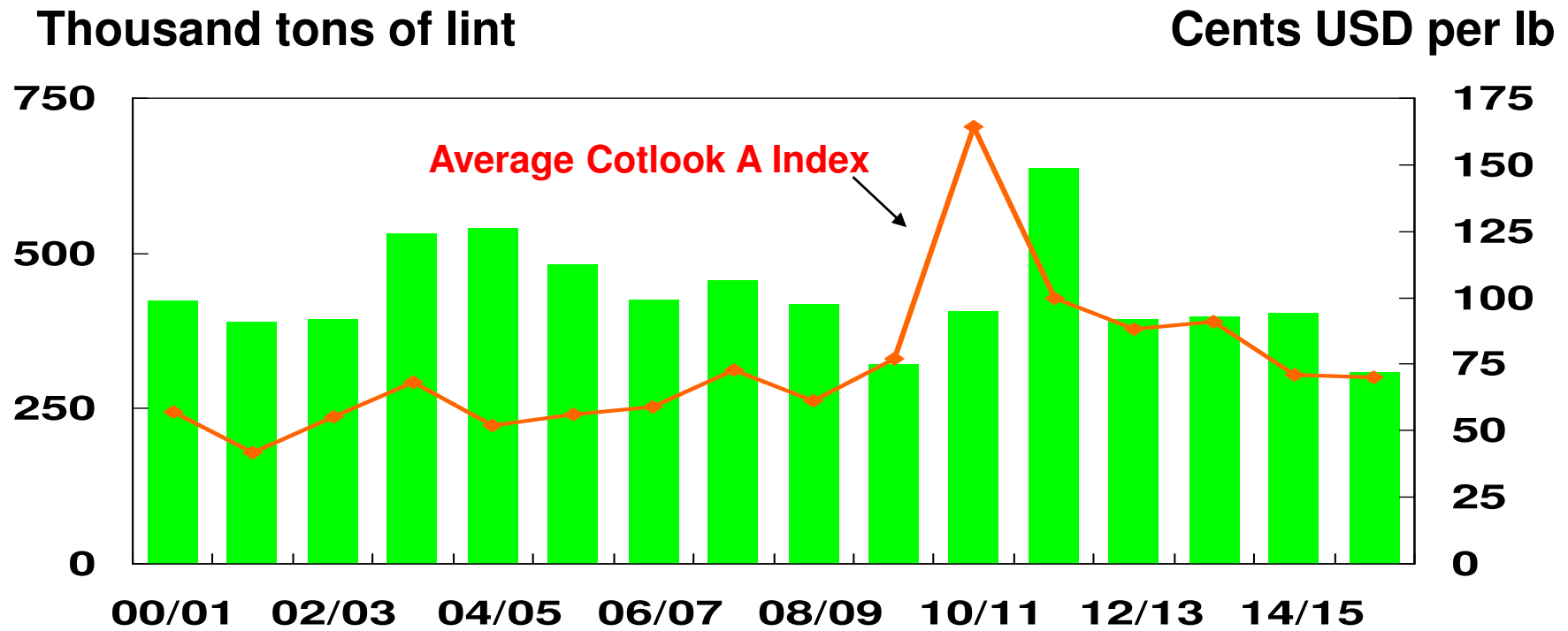


Cotton production in the AFZ



Sources: Cotton Outlook, ICAC

Cotton production in ESA



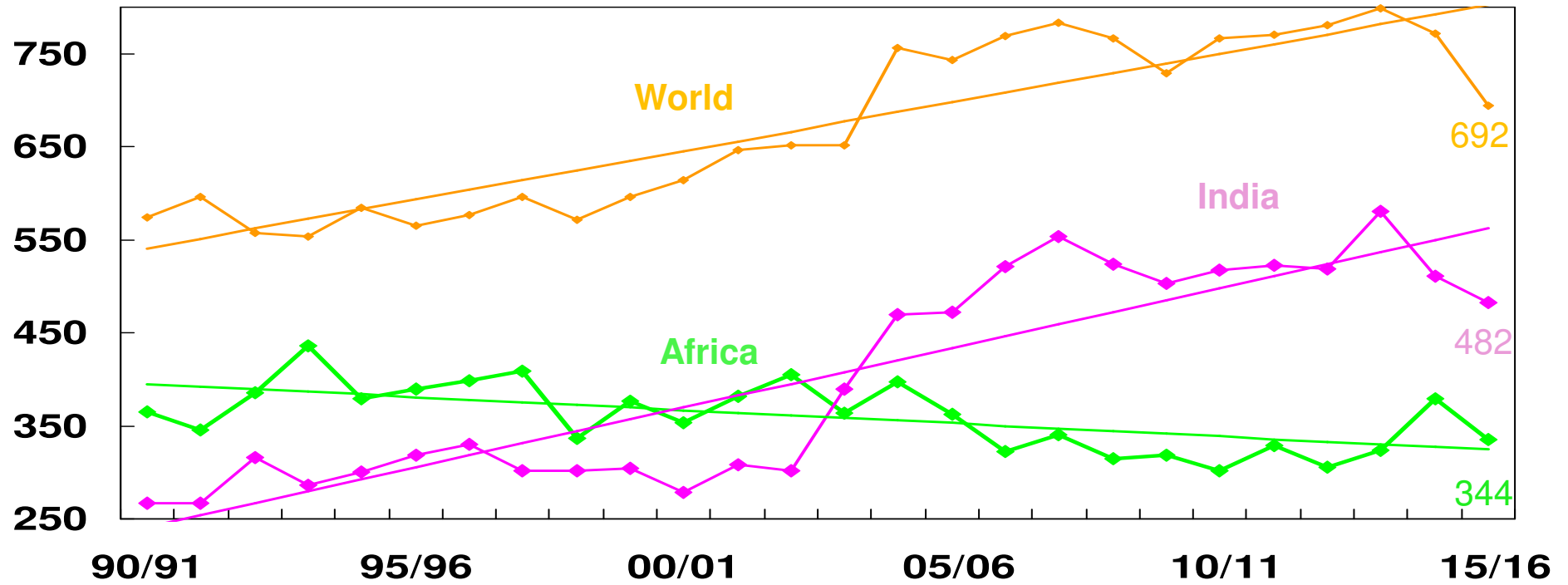
Sources: ICAC, Cotton Outlook

Major Constraints in the AFZ

- **Landlocked cotton areas**
- **Climate change**
- **Cost of transportation**
- **Uneducated farmers**
- **Lack of equipment**
- **Low input use**
- **Low productivity**
- **Particularly sensitive to market fluctuations:**
 - **Export dependent**
 - **Price takers**
 - **Local processing uncompetitive**
 - **Impact of exchange rate**

Average Yield Trends

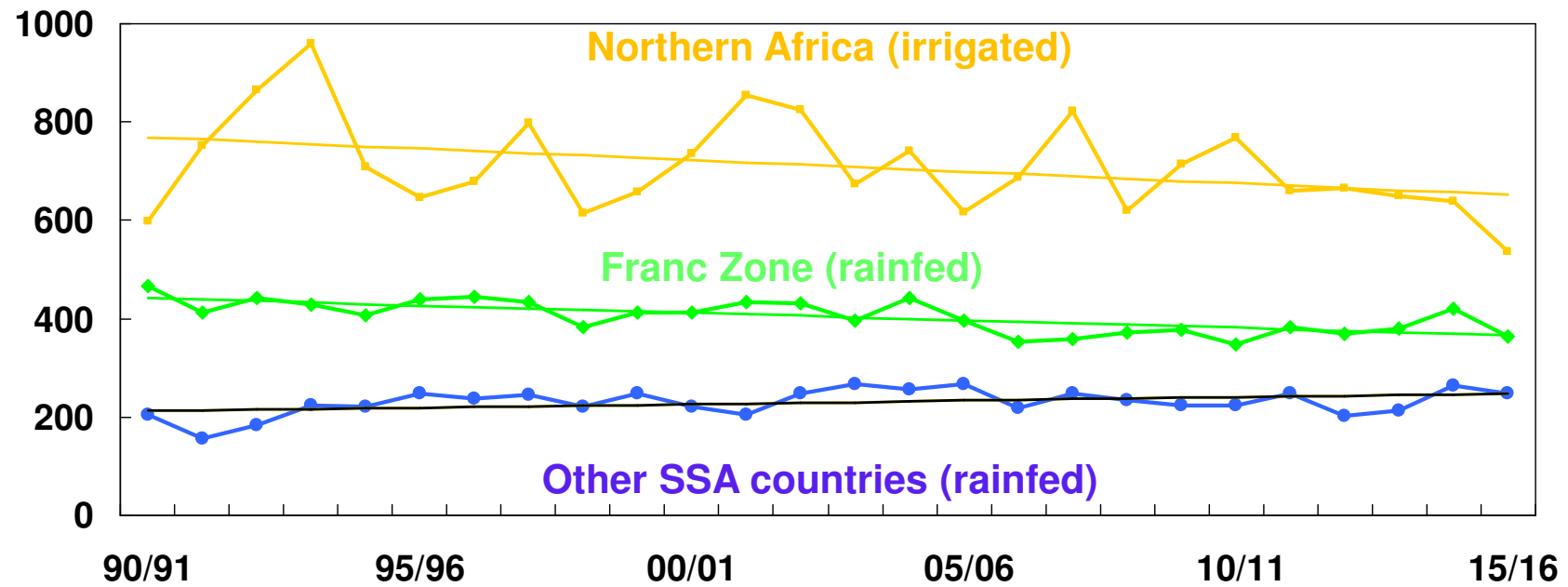
kg of lint per hectare



Source: ICAC

Average Yield by African Region

kg of lint per hectare

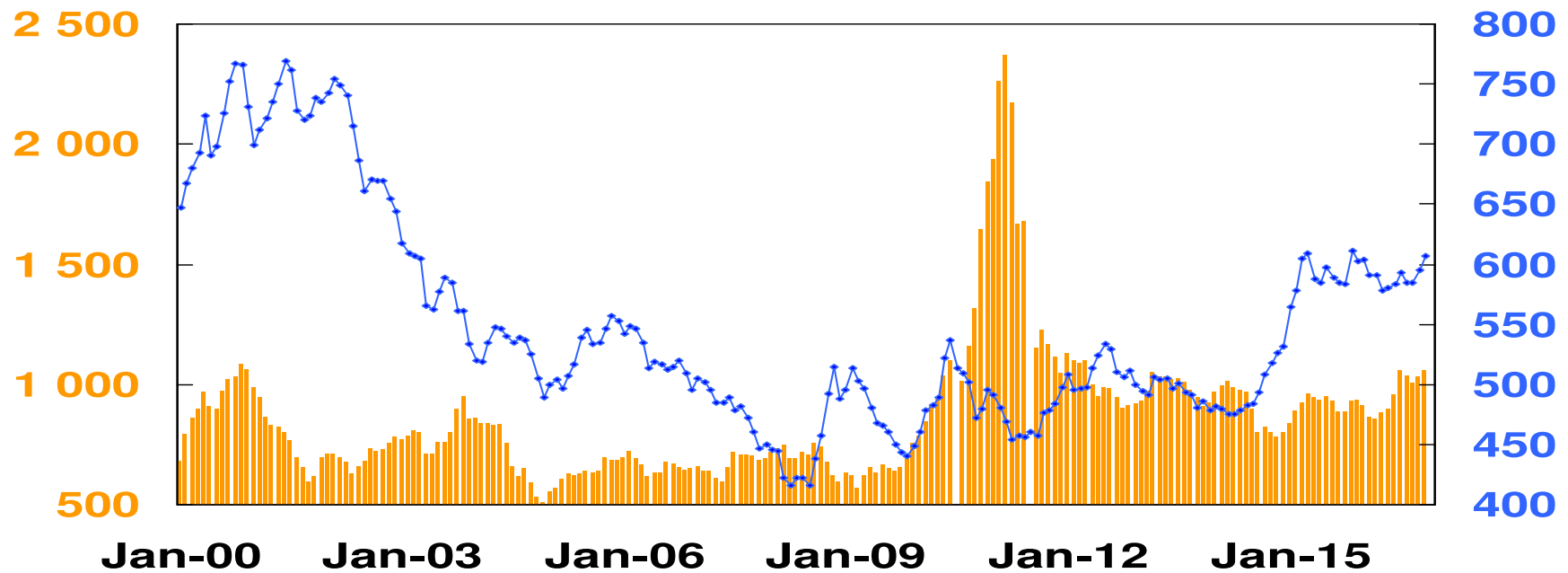


Source: ICAC

Impact of Exchange Rate in the Franc Zone

Cotlook A Index (XOF/kg lint CFR Far East)

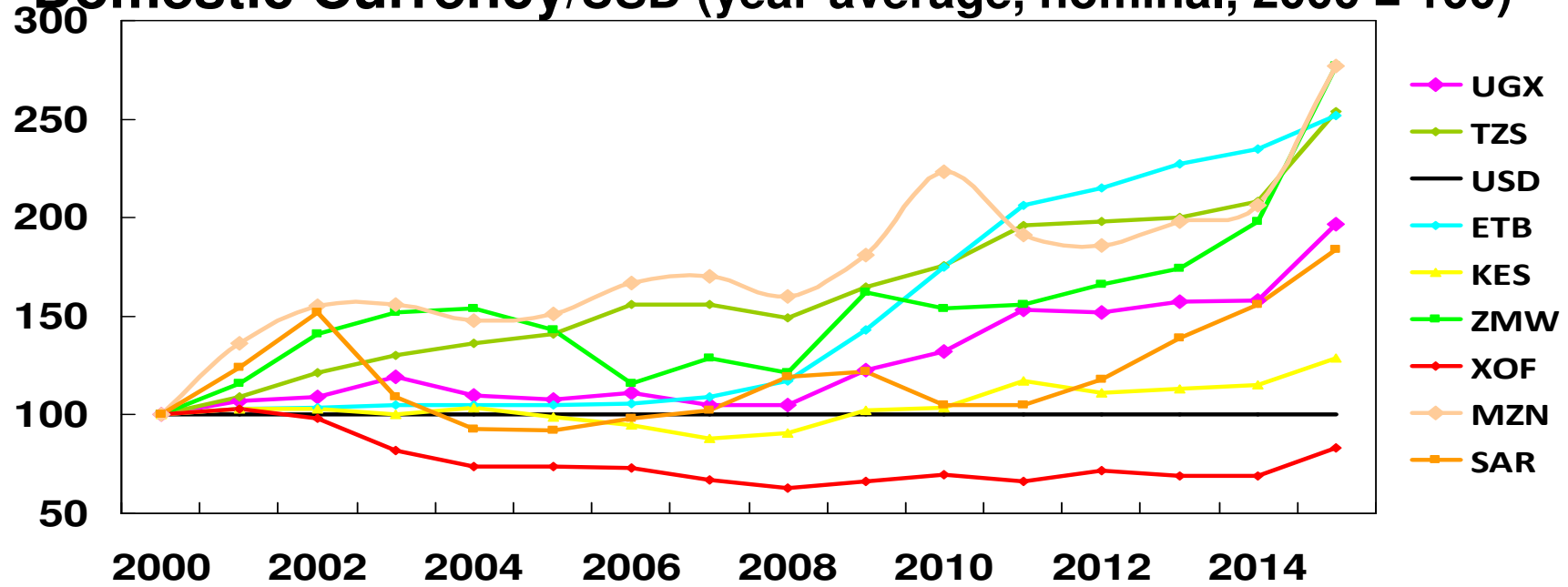
XOF/USD



Sources: Cotton Outlook, ECB

Exchange Rates in Africa

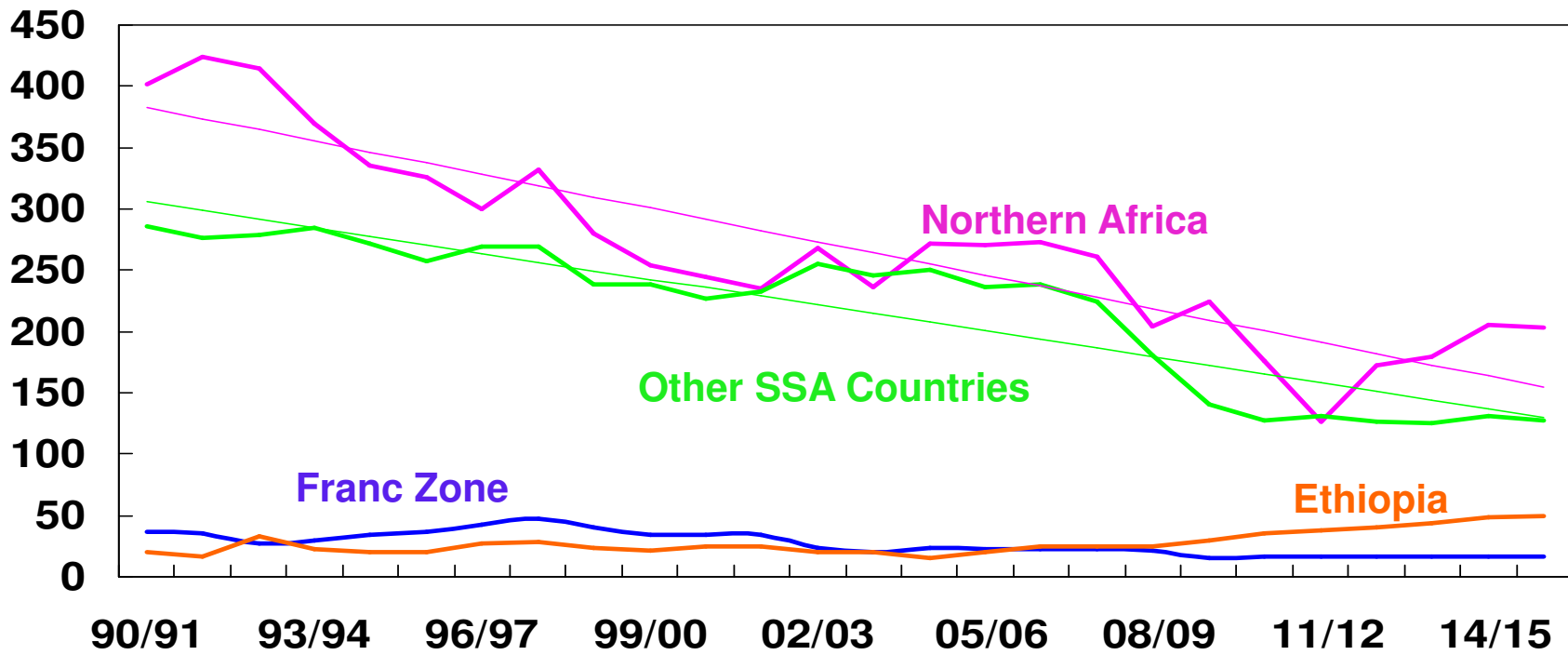
Domestic Currency/USD (year-average, nominal, 2000 = 100)



Source: World Bank

Cotton Mill Use in Africa

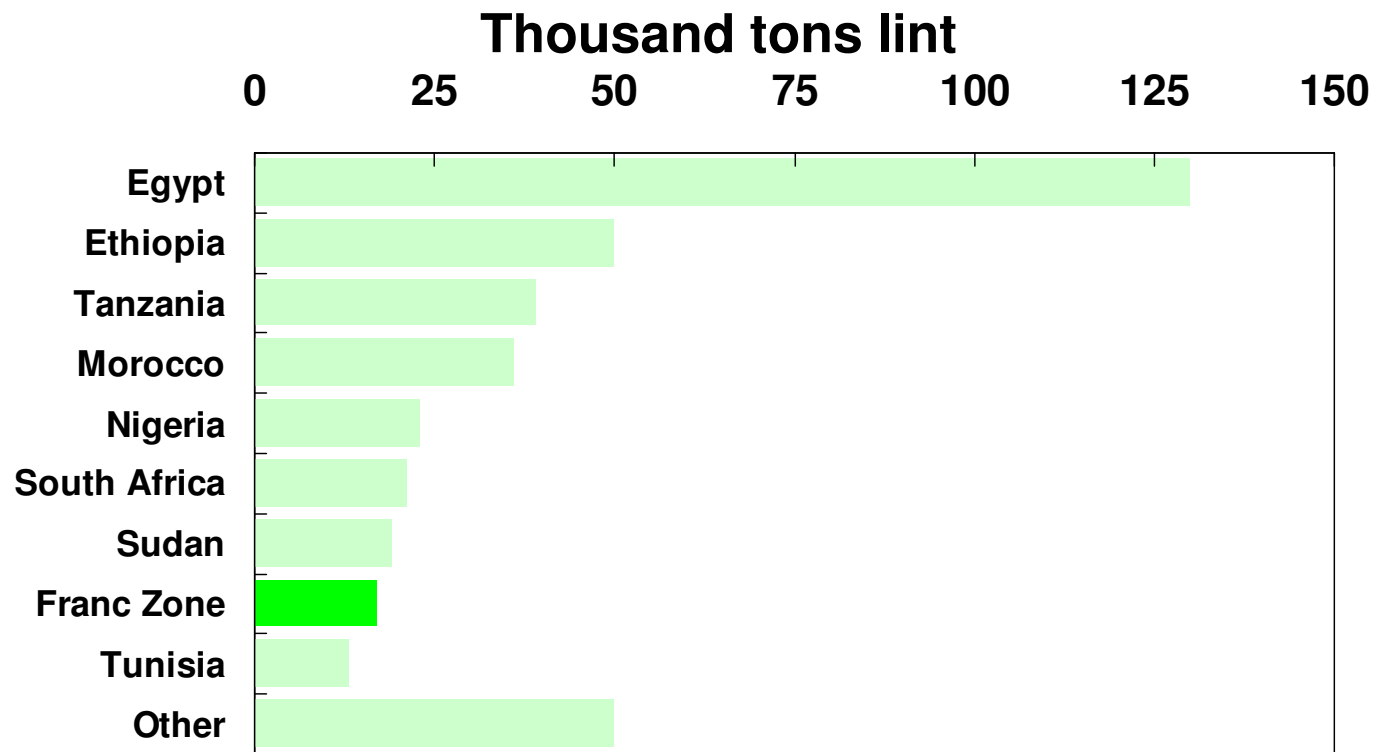
Thousand metric tons lint



Source: ICAC

Cotton Mill Use in Africa

2015/16



Source: ICAC

African Franc Zone Cotton Potential

Wide margin for improvement both in terms of productivity and quality in West and Central Africa:

- **Planted area: 3 million hectares**
- **Average yield: 1.5 ton seedcotton/ha = 600 kg lint/ha**
- **Production potential: 1.8 million tons of lint**



Thank you for your kind attention!

