

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 12/18/2018

GAIN Report Number:

Senegal

Cotton and Products Update

2018 West Africa November Update

Approved By:

Joshua Emmanuel Lagos

Prepared By:

Fana Sylla

Report Highlights:

Post forecasts MY 2018/19 (August to July) area for Burkina Faso, Chad, Mali, and Senegal at 1.45 million hectares (HA), approximately a 14 percent decrease due to less competitive prices, flooding, and lack of inputs in Burkina Faso and Chad. MY 2018/19 total cotton production for all the aforementioned countries is projected at 2.47 million 480 lb. bales, decreasing 8.2 percent from the previous year due to reports of excessive rains, lack of sunlight, lack of inputs, and high pest pressure that is forecast to reduce yields in Mali, Burkina Faso, and Chad. MY 2018/19 total exports are estimated at 2.48 million 480 lb. bales on expectations of strong international demand. This update primarily focuses on providing an overview of the cotton sector in Burkina Faso; it includes an abridged analysis for Senegal, Mali, and Chad.

Table of Contents

Executive Summary	3
Feature Country Burkina Faso	3
- Production	3
- Consumption and Value Added Cotton	4
- Trade	4
- Stocks	5
- Policy	5
Mali.....	6
Senegal.....	6
Chad	7
Table 1. West Africa: Fixed Farm Gate Prices for First Quality Cotton	8
Table 2. West Africa: Pricing for Subsidized Fertilizer and Urea	8
Production, Supply, and Demand Data Statistics	9

Executive Summary:

Post forecasts MY 2018/19 (August to July) area for Burkina Faso, Chad, Mali, and Senegal at 1.45 million hectares (HA), approximately a 14 percent decrease primarily due to lower planted area in Burkina Faso and Chad. Burkinabe cotton farmers in Dedougou, Kenedougou, and Koudougou departments allegedly refused to plant approximately 200,000 HA because the government would not raise the fixed farmgate price and increase the subsidy for fertilizer. This reportedly caused farmers to switch to other crops such as corn, sorghum, millet, sesame, or sweet potatoes. In Chad, acreage is forecast down due to flooding that reportedly caused farmers to abandon approximately 16 percent of planted area; a lack of rain as well as inputs in other areas also reportedly caused farmers to not plant cotton.

MY 2018/19 total cotton production for all the aforementioned countries is projected at 2.47 million 480 lb. bales, decreasing 8.2 percent from the previous year due to reports of excessive rains, which allegedly caused boll rot and seeds sprouting in the bolls, lack of sunlight, lack of inputs, and high pest pressure that is forecast to reduce yields in Mali, Burkina Faso, and Chad. MY 2018/19 total exports are estimated at 2.48 million 480 lb. bales on expectations of strong international demand.

Burkina Faso

Production

MY 2018/19 (August to July) area is forecast at 640,000 HA, down 24.7 percent due to reports that cotton farmers in the Dedougou, Kenedougou, and Koudougou departments refused to plant approximately 200,000 HA because the government would not raise the fixed farmgate price and increase the subsidy for fertilizer. Moreover, Post contacts noted that about 23,000 HA were abandoned by farmers due to flooding in August and September. Farmers who did not plant cotton this season switched to corn, sorghum, millet, sesame, or sweet potatoes. Some farmers stated they believed that the revenue earned from corn would be comparable to cotton.

MY 2018/19 cotton production is estimated at 1.035 million 480 lb. bales due to reports of: a) excessive rain which caused boll rot and seeds sprouting in the bolls; b) lack of pesticides as well as continuous rainfall which reduced the effect of pesticides, both causing high pest pressure (e.g., there were reports of cotton caterpillar, *Helicoverpa armigera* (cotton bollworm), *Dysdercus cingulatus* (red cotton stainer), white flies, and Fall Armyworm); and c) lack of sunlight that prevented adequate pollination.

The MY 2017/18 area and production level estimates remain unchanged at 850,000 HA and 1.2 million 480 lb. bales due to drought and unusually high pest pressure.

Photo 1. Burkina Faso: Cotton Bolls Not Developed Due To Lack of Sunlight



Source: FAS/ Dakar

Photo 2. Burkina Faso: Cotton Bolls Attacked by Insects



Source: FAS/ Dakar

The SOFITEX zone has 189,000 cotton farmers who are organized into 7,000 local farmer organizations, and constitutes approximately one million HA of cultivable land, of which 67 percent is currently used to grow cotton. According to contacts, the zone has two types of soils: a) less fertile, acidic soil where farmers have historically grown cotton for many years and requires higher fertilizer application and b) newer cultivable areas where land has been less used for cotton production compared to the old land which make it more fertile compared to the other land.

Consumption and Value Added Cotton

For MY 2018/19, Post forecasts consumption at 10,000 480 lb. bales on steady demand and official estimates. Official contacts believe that only 5,000 MT of cotton fiber is consumed locally and sold by SOFITEX to the Filature du Sahel (FILSAH), the only spinning company in the country. Socoma and Fasocoton only sell cotton lint to the international market. MY 2017/18 consumption is estimated at 10,000 480 lb. bales based on official sources.

Trade

MY 2018/19 cotton exports are forecast at 1.025 million 480 lb. bales on expectations of strong international demand. MY 2017/18 exports are estimated at 1.190 million 480 lb. bales on higher exportable supplies.

Photo 3. Burkina Faso: Open Air Market For Buying Cotton



Source: FAS/ Dakar

Photo 4. Burkina Faso Packing Cotton Before Placing on the Scale



Source: FAS/ Dakar

Photo 5. Burkina Faso: Scale for Weighing Cotton



Source: FAS/ Dakar

Photo 6. Burkina Faso: Cotton Loaded for Transport to Local Ginning Mill



Source: FAS/ Dakar

Stocks

Post estimates MY 2018/19 stocks at 10,000 480 lb. bales. Cotton fiber is sold before the beginning of the marketing campaign to international traders located mainly in Europe. It is transported to the Port of Abidjan, Benin, or the Port of Dakar by train or trucks. According to contacts, virtually no stocks are stored in country.

Policy

According to official contacts, for MY 2018/19 the Government of Burkina Faso (GOBF) spent 16.288 billion CFA francs (\$29.9 million) to subsidize urea and nitrogen, phosphorus, potassium (NPK) fertilizer. The GOBF also spent five billion CFA (\$8.6 million) to pay off the debt owed by cotton farmers to SOFITEX for the MY 2017/18 campaign.

For more on Burkina Faso, see [2018 Cotton Annual](#)

Mali

Production

MY 2018 /19 (August to July) cotton area is forecast at 730,000 HA on expectations of higher farm gate prices and subsidized inputs. MY 2018/19 cotton production is forecast down to 1.350 million 480 lb. bales on reports that excessive rainfall affected approximately 30 percent of total acreage, reportedly causing boll rot and seeds sprouting in the bolls, both of which may affect yields and cotton quality for this year. Moreover, sources noted that farmers abandoned approximately three percent of planted area due to flooding in the southern Mali. MY 2017/18 cotton area and production level estimates are unchanged at 705,000 HA and 1.405 million 480 lb. bales, respectively, based on official sources.

Consumption and Value Added Cotton

MY 2018/19 consumption is forecast at 25,000 480 lb. bales, unchanged from last year. Approximately 98 percent of Mali's lint cotton production is exported and only two percent remains in country for processing into artisanal weaving yarns and printed fabrics. Cotton seed is used to produce oil, feed and soap.

Trade

MY 2018/19 exports are forecast down at 1.325 million 480 lb. bales on expectations of strong international demand and available exportable supplies. MY 2017/18 exports are estimated at 1.380 million 480 lb. bales on higher exportable supplies.

Stocks

MY 2018/19 stocks are forecast at 6,000 480 lb. bales, unchanged from last year. According to contacts, no stocks remain in country.

Senegal

Production

MY 2018/19 (August to July) cotton area is forecast at 22,000 HA, 10 percent higher than last year due to reportedly more new farmers planting cotton for the first time (approximately nine percent increase) and cotton farmers dedicating additional acreage to cotton on expectations of relatively better profit margins than other crops such as peanuts. According to official contacts, because of late rains farmers delayed planting until the beginning of June for the region of Kedougou and around June 10 for all other regions (usually planting starts from mid-May to the first week of July). MY 2018/19 cotton production is forecast at 34,000 480 lb. bales assuming continued good weather. Sources believe that delayed rains will not affect yields, as rains lasted longer than expected which helped during critical growth stages. Sources noted that farmers usually do not apply herbicide or manually weed their fields after the month of August, which could negatively affect yields. MY 2017/18 cotton area and production level estimates are unchanged based on official data.

Consumption and Value Added Cotton

MY 2018/19 consumption is forecast at 2,000 480 lb. bales, unchanged from last year. Approximately two percent of Senegal's cotton is processed in country to make yarn, half of which goes to a large textile mill near Dakar called Nouvelle Société Textile Sénégalaise (NSTS).

Trade

For MY 2018/19, exports are projected at 32,000 480 lb. bales on expectations of higher exportable supplies. The MY 2017/18 export estimate is unchanged at 30,000 480 lb. bales. In general, almost all Senegal's cotton exports go to Asia for textile manufacturing. Last year, Indonesia and Malaysia were the main buyers.

Stocks

MY 2018/19, are forecast at 3,000 480 lb. bales, unchanged from last year. According to contacts, virtually no stocks are stored in country.

Chad

Production

MY 2018/19 cotton area is forecast down to 60,000 HA due to flooding that reportedly caused farmers to abandon approximately 16 percent of planted area; moreover, a lack of rain as well as inputs allegedly caused farmers to not plant cotton and switch to other crops (sesame, peanuts, sorghum) or find other off farm labor. MY 2018/19 cotton production is forecast at 60,000 480 lb. bales on expectations of good weather for areas that were planted. For MY 2017/18, area and production estimates are unchanged at 120,000 HA and 62,000 480 lb. bales due to lack of inputs, drought, and pests.

Trade

MY 2018/19 exports are projected at 100,000 480 lb. bales on available exportable supplies. The MY 2017/18 export estimate is unchanged at 143,000 480 lb. bales. Contacts noted that ginned cotton is exported through the port of Douala.

Stocks

MY 2018/19 stocks are forecast at 50,000 480 lb. bales. Contact said that no virtual stocks remains in country.

Policy

According to official and media sources, in May, 2018 the Chadian government sold 60 percent of its stake in COTONTCHAD to Singapore-based agribusiness Olam International. Olam has reportedly decided to give five percent of its profits to cotton farmers, and distribute inputs such as fertilizer for MY 2018/19. Contacts also noted that the Government of Chad has to date not fixed the price for cotton (farm gate price), NPK, and urea.

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

(CFA francs)	Official 2015/16 Farm Gate Price	Official 2016/17 Farm Gate Price	Official 2017/18 Farm Gate Price	Official 2018/19 Farm Gate Price
Burkina Faso	235 (\$0.41)	235 (\$0.41)	245 (\$0.89)	250 (\$0.43)
Mali	237.5 (\$0.41)	250 (\$ 0.43)	250 (\$0.43)	255 (\$0.44)
Chad	240 (\$0.42)	220 (\$0.38)	N/A	TBA
Senegal	255 (\$0.44)	255 (\$0.44)	300 (\$0.52)	300 (\$0.52)

Source: Official sources; \$1= 575 CFA francs; CFA francs per KG

Table 2. West Africa: Pricing for NPK (Nitrogen, Phosphorus, Potassium) Fertilizer, Urea

(CFA francs)	Official 2015/16 Input Prices	Official 2016/17 Input Prices	Official 2017/18 Input Prices	Official 2018/19 Input Prices
Burkina Faso	NPK: 15,000 (\$26.09) Urea: 15,000 (\$26.09)	NPK: 15,000 (\$26.09) Urea: 15,000 (\$26.09)	NPK: 15,000 (\$26.09) Urea: 15,000 (\$26.09)	NPK: 15,000 (\$26.09) Urea: 15,000 (\$26.09)
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: 11,000 (\$19.13) Urea: 11,000 (\$19.13)
Chad	NPK: 16,000 (\$27.83) Urea: 15,000 (\$26.09)	NPK: 16,000 (\$27.83) Urea: 15,000 (\$26.09)	N/A	TBA
Senegal	NPK: 11,880 (\$20.66) Urea: 9,500	NPK: 11,880 (\$20.66) Urea: 9,500	NPK: 16,038 (\$27.89) Urea: 12,132 (\$21.10)	NPK: 16,038 (\$27.89) Urea: 12,132 (\$21.10)

	(\$16.52)	(\$16.52)		
--	-----------	-----------	--	--

Source: Official sources; \$1= 575 CFA francs; CFA francs per KG

Production, Supply and Demand Data Statistics (1000 Hectares (HA), 1,000 480 lb. Bales, PERCENT, KG/HA)

Cotton Market Begin Year Burkina	2016/2017		2017/2018		2018/2019	
	Aug 2016		Aug 2017		Aug 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	700	700	850	850	750	640
Beginning Stocks	265	265	400	10	425	10
Production	1310	1310	1300	1200	1400	1035
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	1575	1575	1700	1210	1825	1045
Exports	1150	1540	1250	1190	1350	1025
Use	25	25	25	10	25	10
Loss	0	0	0	0	0	0
Total Dom. Cons.	25	25	25	10	25	10
Ending Stocks	400	10	425	10	450	10
Total Distribution	1575	1575	1700	1210	1825	1045
Stock to Use %	34.04	0.64	33.33	0.83	32.73	0.97
Yield	407	407	333	307	406	352

Cotton Market Begin Year Mali	2016/2017		2017/2018		2018/2019	
	Aug 2016		Aug 2017		Aug 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	655	655	730	705	740	730
Beginning Stocks	386	386	501	6	526	6
Production	1240	1240	1350	1405	1400	1350
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	1626	1626	1851	1411	1926	1356
Exports	1100	1595	1300	1380	1300	1325
Use	25	25	25	25	25	25
Loss	0	0	0	0	0	0
Total Dom. Cons.	25	25	25	25	25	25
Ending Stocks	501	6	526	6	601	6
Total Distribution	1626	1626	1851	1411	1926	1356
Stock to Use %	44.53	0.37	39.7	0.43	45.36	0.44
Yield	412	412	403	434	412	403

Cotton Market Begin Year Senegal	2016/2017		2017/2018		2018/2019	
	Aug 2016		Aug 2017		Aug 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	20	20	20	20	25	22
Beginning Stocks	6	6	2	2	3	3
Production	28	28	33	33	40	34
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	34	34	35	35	43	37
Exports	30	30	30	30	35	32
Use	2	2	2	2	2	2
Loss	0	0	0	0	0	0
Total Dom. Cons.	2	2	2	2	2	2
Ending Stocks	2	2	3	3	6	3
Total Distribution	34	34	35	35	43	37
Stock to Use %	6.25	6.25	9.38	9.38	16.22	8.82
Yield	305	305	359	359	348	336

Cotton Market Begin Year Chad	2016/2017		2017/2018		2018/2019	
	Aug 2016		Aug 2017		Aug 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	315	315	120	120	120	60
Beginning Stocks	151	151	291	191	151	100
Production	350	350	120	62	120	60
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	501	501	411	253	271	160
Exports	200	300	250	143	125	100
Use	10	10	10	10	10	10
Loss	0	0	0	0	0	0
Total Dom. Cons.	10	10	10	10	10	10
Ending Stocks	291	191	151	100	136	50
Total Distribution	501	501	411	253	271	160
Stock to Use %	138.57	61.61	58.08	65.36	100.74	45.45
Yield	242	242	218	112	218	218

